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Advertising Age®

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$30 a Year; This Issue $2.50 *The International Newspaper of Marketing* *September 6, 1979*

Top 100 put record $10.3 billion in ads

P&G holds onto No. 1 spot, while retailers go national in big way

BY KATHRYN SEDERBERG

CHICAGO—Retail advertising is no longer local. It's moved onto the national scene in a big way.

That's the story told by the ad spending figures of the 100 largest U.S. advertisers in 1978, a year that saw their total national advertising investment surge to $10.3 billion, up 17% over the 1977 total.

Procter & Gamble, the perennial leader, topped the list with $554,000,000 in total measured and unmeasured advertising.

But following closely behind was giant retailer Sears, Roebuck & Co. (No. 2, with $417,935,000 in national advertising). If local advertising were included in the tabulations, Sears would be far and away the leader, with a total ad investment of $725,000,000.

Sears' move into the No. 2 spot—it was No. 4 in 1977—was fueled by an advertising increase of 14%. K mart, which appeared on the list for the first time last year, held onto fifth place with an ad investment of $250,000,000, up 20%.

Other retailers on the list of top national advertisers are J. C. Penney Co., No. 27 with ad spending of $125,000,000, and Mobil Corp., No. 15 at $163,000,000, a large portion of which goes to support subsidiary Montgomery Ward.

- Despite fears of a looming recession, 1978 appeared to be a good year for the 100 leaders. Virtually everyone (98) reported a sales increase (only 93 gained in 1977), although for some, the increase barely kept up with inflation. Earnings increases were reported by 86, compared with 76 the previous year.

Advertising was hiked by 87 companies, while three others held ad spending more or less even. This tops the 82 who increased advertising in 1977, but does not match the 96 who boosted ad spending the previous year.

- Leader P&G, which held ad spending virtually constant in 1977, hiked its investment by some 20% in 1978, paced by a heavy commitment to new products—six went national in 1978 and early 1979, and nine went into test or expanded distribution.

Among the heavily supported established products were Folger's coffee (all forms), $31,351,800 in measured media; Crest toothpaste, $23,055,700; Pampers, $18,636,000; Downy fabric softener, $17,519,100; Tide, $16,475,400, and Cheer, $14,974,000.

General Foods held onto its No. 3 position with an estimated ad outlay of $340,000,000, while General Motors Corp. slipped to No. 4 with $266,300,000; it had been second the previous year.

Philip Morris moved up two places to sixth, with an ad investment of $236,800,000, fueled by expenditures not only for its tobacco products, but also for subsidiaries Miller Brewing and Seven-Up.

(Continued on Page 160)

Introducing a diaper that helps stop leaking.
New Kleenex Huggies.
Huggies
Kleenex
HUGGIES

Kimberly-Clark's Kleenex Huggies, available in 40% of the U.S., are locked in competition with P&G's Luvs.

100 leading national advertisers (TOTAL AD DOLLARS IN MILLIONS: 1978)

1	Procter & Gamble	$554.0
2	Sears, Roebuck & Co.	417.9
3	General Foods	340.0
4	General Motors Corp.	266.3
5	K mart	250.0
6	Philip Morris Inc.	236.8
7	Warner-Lambert Co.	211.0
8	Ford Motor Co.	210.0
9	Bristol-Myers Co.	192.8
10	Chrysler Corp.	188.9
11	American Home Products Corp.	183.0
12	R. J. Reynolds Industries	182.6
13	American Telephone & Telegraph Co.	172.8
14	General Mills	170.0
15	Mobil Corp.	163.0
16	PepsiCo Inc.	156.0
17	Beatrice Foods Co.	150.4
18	Unilever	145.0
19	Norton Simon Inc.	144.6
20	Esmark Inc.	141.4
21	RCA Corp.	140.0
22	Coca-Cola Co.	138.8
23	McDonald's Corp.	136.8
24	Johnson & Johnson	134.0
25	U. S. Government	128.5
26	Gulf + Western	126.8
27	J. C. Penney Co.	125.0
28	International Telephone & Telegraph Corp.	122.7
29	Colgate-Palmolive Co.	122.5
30	CBS Inc.	122.3
31	General Electric	121.3
32	Seagram Co.	120.0
33	Heublein Inc.	$118.0
34	Anheuser-Busch	116.6
35	American Cyanamid	115.0
36	Kraft Inc.	114.2
37	Richardson-Merrell	105.0
38	Pillsbury Co.	104.0
39	Gillette Co.	99.0
40	Revlon Inc.	92.0
41	Consolidated Foods Corp.	91.5
42	SmithKline Corp.	91.2
43	Ralston Purina Co.	91.0
44	Nabisco Inc.	90.9
45	Eastman Kodak Co.	86.1
46	Chesebrough-Pond's	84.7
47	B.A.T. Industries	82.4
48	Kellogg Co.	79.6
49	Loews Corp.	78.9
50	Sterling Drug	78.0
51	Nestle Enterprises	77.9
52	American Brands	77.3
53	Time Inc.	76.3
54	H. J. Heinz Co.	74.1
55	DuPont	70.0
56	Quaker Oats Co.	69.3
57	Liggett Group	68.9
58	Schering-Plough	68.0
59	CPC International	65.9
60	Toyota Motor Sales USA	64.6
61	Avon Products	63.8
62	Miles Laboratories	62.3
63	American Express Co.	62.0
64	Nissan Motor Co.	61.5
65	MCA Inc.	61.0
66	Mars Inc.	60.2
67	Jos. Schlitz Brewing Co.	58.2
68	Volkswagen of America	57.0
69	Campbell Soup Co.	56.4
70	Polaroid Corp.	52.8
71	Union Carbide Corp.	51.1
72	UAL Inc.	50.6
73	Squibb Corp.	50.0
73	Borden Inc.	50.0
75	Warner Communications	47.7
76	Greyhound Corp.	45.7
77	S.C. Johnson & Son	43.9
78	American Motors Corp.	43.4
79	North American Philips Corp.	42.1
80	Pfizer Inc.	38.4
81	Kimberly-Clark Corp.	38.1
82	Exxon Corp.	38.0
83	Mattel Inc.	37.9
84	Wm. Wrigley Jr. Co.	37.8
85	Trans World Corp.	37.5
86	MortonNorwich	36.2
87	ABC Inc.	35.9
88	Brown-Forman	35.0
88	American Honda Motor Co.	35.0
90	Noxell Corp.	34.9
91	Eastern Airlines	34.8
92	Clorox Co.	34.6
93	Standard Brands	34.2
94	Scott Paper Co.	33.3
95	A. H. Robins Co.	32.9
96	Alberto-Culver	32.4
97	American Airlines	29.0
98	Delta Air Lines	28.9
99	Carnation Co.	28.5
100	Beecham Group	27.7

Advertising and marketing reports on 100 leading national advertisers

Presented here is ADVERTISING AGE'S unique annual collection of facts about the marketing operations of the nation's advertising giants—what they spend on advertising, how they're doing in sales and profits, how their leading product lines and brands rank nationally, what share of the market they hold—and many other vital details. The profiles include listings of each company's marketing executives, the agency lineup and a rundown of account personnel serving the various product lines. Much of the material has never been published before, including estimates of total advertising and promotion expenditures for the 100 advertisers covered, and sales figures for privately owned companies.

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ABC Inc.

	1978	1977
Sales ……	$1,703,985,000	$1,535,667,000
Earnings …	135,575,000	109,795,000
Advertising	35,854,400	26,500,000

ABC Inc., New York, boosted its 1978 advertising budget 33%, or $9,354,400, to an estimated $35,854,400 and in the process became the 87th largest national advertiser.

In its 10-K report, ABC said it spent $48,777,000 on advertising in 1978. However, amounts reported in 10-K's usually include a number of items not considered advertising or promotion by AA.

The biggest corporate advertising and promotion spender was the tv network which had $10,160,900 in measured media alone. The lion's share of that amount went into magazines, $9,786,800, with network radio and outdoor also getting some network ad dollars.

ABC Radio Stations and the ABC radio network placed more than $4,000,000 in measured media while ABC made-for-tv-movies were backed with $2,265,500, primarily in magazines.

■ Other subsidiaries and their measured ad expenditures are: ABC Leisure Attractions (Silver Springs and Weeki Wachee Florida resorts), $485,000 and Word Books, Records and Book Club, $125,000.

In its 26th year of business, ABC Inc. posted a revenue gain of 16% with earnings up 19%. Broadcasting accounted for 87% of corporate revenues in 1978 compared to 83% in 1977.

The ABC tv network was the largest single source of these gains as its prime time and day time program schedules continued to attract the highest number of tv viewers and the corresponding placement of advertiser dollars.

ABC's publishing units also did well, as did the leisure attractions. But after several years of large operating losses, the company finally wrapped up the sale of ABC Records to MCA Records. MCA reportedly paid about $18,000,000 for the problem-plagued unit which has few big name recording stars but has depth in country & western.

ABC also sold off its Historic Towne of Smithville tourist attraction. At the same time, it announced that it will get back into the production of theatrical movies. In addition, the corporation has formed an ABC Video Enterprises division to develop and market programing for the emerging new communication forms like cable, pay cable and videodisc.

■ Moreover, the conglomerate's thrust into the publishing business took another major step forward when ABC announced early in 1979 that it had agreed to acquire Chilton Co., a Pennsylvania-based book publishing, magazine and printing company.

ABC Publishing already owns ABC Leisure Magazines, Farm Progress Publications, NILS Publishing, religious publisher Word Inc., *Los Angeles*, Miller Publishing, Hitchcock Publishing and another early 1979 acquisition, R.L. White Co.

In television, ABC continued its prime time Nielsen ratings dominance this year and overhauled CBS to become the leader in daytime tv. It continues to be the dominant network in sports broadcasting.

Meanwhile its early morning program, "Good Morning America," has continued to eat away at its "Today" rival while ABC News' "World News Tonight," has begun paying viewer dividends after a complete overhaul and format restructuring.

The first network to introduce long form programing with the likes of "QB VII," "Washington: Behind Closed Doors" and the highest rated tv show ever, "Roots," ABC brought "Roots: The Next Generations" out in February of 1979 and promptly made it the second most popular program in tv history. Millions of dollars in advertising and promotion backed the series, but it was money well spent as ABC earned about $120,000 per 30-second commercial.

■ Nielsen ratings had the series averaging a 30.1 rating and 45 share for the multiparter. The February sweep period was also notable for the network battle of Feb. 11, a night observers have called the most expensive night in television history.

With its made-for-tv movie "Elvis," a tribute to the late king of rock and roll, ABC beat CBS-TV's airing of "Gone With The Wind" and NBC-TV's counter of "One Flew Over the Cuckoo's Nest."

Prime time triumphs like these combined with ABC's regular series fare to give the network another first for the 1978-79 season.

ABC's 21.1 rating for the 31-week season was 2.5 points ahead of CBS and 4.1 points over NBC. Longtime network standard bearers like "Laverne & Shirley," "Three's Company," "Happy Days" and "Charlie's Angels" were joined in the top ten by the season's smash, "Mork and Mindy." Other newcomers like "Angie" and "Taxi" further strengthened ABC's No. 1 network ranking.

■ As a result of its prime time preeminence, ABC stands to collect about 40% of the approximate $1.6 billion advertisers are spending for upfront buys in the 1978-79 season. The ABC fall schedule includes six hours of new programing, all nicely placed in and around current hits. One show, "Benson," is widely seen as one of the few authentic hits that will emerge from the new season.

Meanwhile, Frederick Pierce, president of ABC Television, was named exec vp, ABC Inc., earlier in 1979. The move puts him third in the company hierarchy behind chairman Leonard Goldenson and president Elton Rule.

■ Besides ABC-TV's notable prime time, sports and other daypart triumphs, last year was also significant for a string of tv station affiliates the No. 1 network snatched away from its rivals.

In most cases, ABC replaced a weak uhf signal station with a strong vhf signal. Moreover, the stations ABC added to its stable of affiliates had strong local news operations, providing better lead-ins for "World News Tonight."

A year after its introduction, the network news program has managed to beat NBC on several occasions, but it remains in third place, though now a challenger.

The "World News Tonight" ad account was originally handled by Case & McGrath, but conflicts led to a parting of the ways, with McCaffrey & McCall, the tv network's agency, adding the news account, worth over $2,000,000.

■ Elsewhere in the corporation, ABC moved to create two new units, ABC Motion Pictures and ABC Video Enterprises. Both are designed to enlarge the company's role as a software supplier for all of the new entertainment technologies.

Brandon Stoddard, formerly the ABC exec responsible for its long form programing, was picked to head the motion pictures division. It will produce and distribute theatrical movies that can be peddled to a variety of mediums.

The newest unit is ABC Video Enterprises, with former ABC sports exec Herbert Granath on hand to direct ABC's entry as a programing supplier for emerging new video forms.

Although 1978 was a year of continued growth for the radio industry as a whole and for all of ABC's radio units in particular, it was not a year without turmoil in the radio division.

■ The radio network's four-network service completed its 11th year with an affiliate lineup of 1,596 stations. Revenues were higher, but profits were a shade behind the levels attained in 1977. Although ABC still says that its owned am and fm stations are the most listened to group in the U.S., there were a number of problems in both units this past year.

Moreover, well over 50 upper level jobs have changed hands

Advertising Age

The International Newspaper of Marketing

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New York cable address: CRAINCOM NYK. Telex 64-0207

England—Wallace K. Ponder, Paul Dimmock, Intergroup Communications, 31 Lyncroft Ave., Pinner, Middlesex, HA5 1JU, England (01-868-9289). Paris—Gerard Lasfargues, 32 rue Desbordes Valmore, 75016 Paris, France (504-9794). Italy—Robert M. Saidel, Technimedia Int'l., Via G. Fara 30, 20124 Milan, Italy (65.72.765). Telex 333897 UTITRADI. Tokyo—International Media Representatives, 2-29, Toranomon 1-Chome, Minato-ku, Tokyo (502-0656). Germany/Austria—Karl Heinz Reinl, MSI Media Sales, Rainstrasse 4, 7250 Leonberg 7, West Germany (07152/47263). Telex 724 154 MSILD.

Advertising Age, with which is incorporated Advertising Agency Magazine, formerly Advertising & Selling, is published weekly by Crain Communications Inc. at 740 Rush St., Chicago 60611 (312-649-5200). Offices at 708 Third Ave., New York 10017 (212-986-5050); National Press Bldg., Washington, D.C. 20045 (202-638-5300); 965 E. Jefferson Ave., Detroit 48207 (313-567-9520); 6404 Wilshire Blvd., Los Angeles 90048 (213-651-3710); 2 Turtle Creek Village, Dallas 75219 (214-521-6650).

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ABP

RED TAG

ANPA

Vol. 50, No. 38—Advertising Age (ISSN-0001-8899) is published weekly except semiweekly the second week in March, the first week in September and the second week in December at 740 N. Rush St., Chicago, Il 60611. Second class postage paid at Chicago and additional mailing offices.

within ABC Radio starting from the top where long time ABC Radio president Hal Neal was replaced by Ben Hoberman, out of KABC, Los Angeles. Under Mr. Hoberman's direction, KABC attained a solid grip on first place in the nation's largest radio market.

In 1978, security analysts estimate that ABC-owned tv stations accounted for 19% of ABC's $1.5 billion in broadcast revenues and nearly 40% of the broadcast group's pretax profits. Moreover, the profit margin for ABC stations is about 27% compared to the tv network's profit margin of about 16%.

- Ad sales for the stations were bolstered by ABC's prime time and daytime ratings as well as the stations' leadership role in local news.

ABC's latest acquisition is the San Diego based Travel Network, a two-year-old franchise organization of 140 travel agencies. ABC's long-term goal, in addition to being "the One" in the travel agency business, is to expand the operation to 2,500 franchises nationally.

Reportedly ABC paid $5,000,000 for the travel agency business, whose first serious advertising campaign is in the works at Ed Libov Associates, New York and Los Angeles offices. The Libov Agency takes on only heavy broadcast users; its media breakdown is 95% tv, 5% radio.

Statistical Guide

Advertising as % of sales **8**
Media expenditures breakdown **10**
100 Leaders' share of national media **70-71**
Top 25 advertisers:
In newspapers **40**
In magazines **52**
In spot radio **54**
In spot tv **62**
In network tv **62**
In network radio **68**
In outdoor **75**
In farm papers **80**

In entering the booming travel field, ABC plans to use other ABC owned resources like Silver Springs and Weeki Wachee as part of tour packages, even tying in with ABC sporting events.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$10,167,500	$5,706,400
Magazines	12,819,400	10,340,500
Spot tv	4,200,900	4,665,400
Spot radio	552,300	52,000
Network radio	372,200	117,200
Outdoor	422,000	351,100
Total measured ..	28,534,300	21,232,600
Unmeasured	7,320,100	5,567,400
Estimated total ...	35,854,400	26,800,000

MARKETING PERSONNEL

ABC-TV Network

Jake Keever, vp-sales
Warren Boorom, vp-genl sales mgr
Robert Silberberg, vp-natl sales mgr
John Lazarus, vp-sports sales director
John Tiedemann Jr., vp-daytime sales
Robert Cagliero, vp-early morning sales
Marvin Goldsmith, vp-prime time sales proposals
William Breen, vp-news sales
Symon Cowles, vp-creative services
John Curry Jr., vp-adv
Pete Barrett, director of adv services
Jerome Zucker, vp-promo and sales devel
Joel Cohen, vp-special projects
Anthony Rocco, vp-business devel
Charles Allen, vp-sales administration

ABC Sports

Peter Dimmock, vp-worldwide mktg & syndication

ABC-Owned TV Stations Division

Roy-Polevoy, vp-creative services

ABC-TV Spot Sales

Georgia Breza, director of planning & administration

ABC Radio Division

Robert Cambridge, director of mktg
Linda Goodman, director of sales devel

ABC Radio Network

Louis Severine, vp-sales
Arthur Sulzburgh, vp-natl sales mgr
Leo Collins, director, mktg services
Sam Patterson, adv & promo mgr

ADVERTISING AGENCIES

McCaffrey & McCall, New York—ABC-TV Network, ABC News. Bill Bolster, vp-acct super, Radford Stone, mgmt super.

Grey Advertising, New York—ABC movies. Don Foley, acct super.

George Rodman Inc., New York—ABC Radio Network. George Rodman, acct super.

W. Zemp Inc., St. Petersburg, Fla.—ABC Leisure Attractions. Per Andesen, acct super.

Alberto-Culver Co.

	1978	1977
Sales	$172,537,684	$152,116,777
Earnings ...	3,008,000	2,043,000
Advertising	32,391,372	29,231,020

Alberto-Culver Co., Melrose Park, Ill., the 96th largest national advertiser, reported advertising and promotion expenditures of $39,391,372 in 1978 and rejoined the top 100 U.S. advertisers for the first time since 1974, when it was the nation's 57th largest advertiser with advertising and promotion expenditures of $40,000,000.

According to measured media figures compiled by Leading National Advertisers, Alberto's advertising resurgence was lead by Alberto VO5 hair spray (up to $5,500,000 from $4,500,000); Alberto VO5 Hot Oil Treatment (up to $3,800,000 from $1,700,000); Beyond preshampoo conditioner (up to $3,700,000 from $700,000), Alberto VO5 conditioning hair dressing (up to $2,100,000 from $1,500,000); SugarTwin low-calorie sugar substitute (up to $1,700,000 from $700,000), and FDS feminine deodorant spray mist (up to $1,100,000 from $552,000).

Among its leading brands, only Alberto Light & Fresh Balsam rinse/conditioner (down to $2,400,000 from $2,900,000) and Static Guard for apparel (down to $1,700,000 from $2,100,000) showed declines.

Alberto's advertising continued to appear almost entirely on spot and network television.

The rise in advertising was reflected in the company's operating results which featured a 13% increase in sales and a 47% increase in net earnings over the previous year. The company's strong showing has continued into 1979, with net sales through June 30 up 9% over the same period last year and net earnings up 21%.

Alberto-Culver's bottom line will be further enhanced by a $4,250,000 out-of-court settlement of a lawsuit the company had filed in 1974 against Gillette and J. Walter Thompson Co. The suit sought compensation for lost profits and punitive damages caused by a commercial for Gillette's Tame that ran for seven months in 1974.

Alberto maintained that the ad disparaged Alberto Balsam creme rinse/conditioner and ultimately destroyed the brand. The settlement was reached in mid-March, 1979, midway into the second week of the trial.

Alberto-Culver's increased advertising activity marks the end of a period of retrenchment that came after a number of calamities struck the company in the early 1970s.

Government regulations on substances such as hexachlorophene (which was an ingredient in FDS feminine deodorant spray) and saccharin (SugarTwin) hurt sales and, in the case of FDS, necessitated reformulation.

In 1974, not only did Gillette's Tame take after Alberto's successful Balsam rinse/conditioner, but the recession and oil shortage also hit the company particularly hard, with Alberto's heavy reliance on petroleum-based products and the unexpected jump in oil prices putting the company in a very vulnerable position.

Reeling from these blows, the company slashed its advertising outlays. According to LNA figures, Alberto-Culver measured media expenditures went from $19,200,000 in 1974 to $12,600,000 in 1976 before rising to $15,800,000 in 1977 and $23,300,000 last year.

Among the new products introduced during the resurgence of the last two years are Beyond preshampoo conditioner (fall 1977) and Static Guard spray-on static remover (winter 1977).

Though the products have not had the impact of some of the company's earlier ventures such as Alberto VO5 hair dressing and the Alberto Balsam line, company officials say that the products have been selling "quite well."

- To deal with the possibility of government limitations on the use of saccharin, the company has prepared a saccharin-free version of its successful SugarTwin low-calorie sweetener.

In October, 1977, Alberto-Culver acquired the Massachusetts-based John A. Frye Show Co., a manufacturer of high-quality leather boots.

Boosted ad spending of over $5,000,000 for Alberto hair spray helped Alberto-Culver regain a spot in the top 100 advertisers. Commercials for hair spray feature personality Rula Lenska.

Alberto officials describe the Frye effort as an attempt to apply "a package goods approach to shoes and boots," and are enthusiastic about the response received by the new products.

New Frye products also are being developed but will not be introduced until sufficient production capacity has been added.

Alberto's other recent new product efforts include Previews, a hot appetizer mix containing onions, mushrooms, seafood and cheese that is spread on bread rounds or crackers and put in the oven (began test-marketing October, 1978); and Baker's Joy, an aerosol-propelled product made of flour and cooking oil and designed to "grease" baking pans (began test-marketing January, 1979). Company officials said that it was still too early to pass judgment on the tests.

According to company officials, Alberto also has "more new products in various stages of development than we've ever had before," especially in the toiletry, household, and food areas.

ADVERTISING EXPENDITURES

	1978	1977
Magazines	799,400	863,200
Spot tv	14,872,100	6,930,500
Network tv	7,625,700	7,998,100
Total measured ..	23,297,200	15,791,800
Unmeasured	9,094,172	13,439,220
Estimated total ..	32,391,372	29,231,020

MARKETING PERSONNEL

Leonard H. Lavin, president, ceo
George Polk, senior vp, domestic consumer products, intl
James Witherell, group vp, domestic consumer products
Dan Lewis, vp, professional div
Henry Wittemann, vp, adv services
George Bauden, mktg rsch director
R. M. Kirshbaum, vp, food services div
Douglas Wright, genl mgr, household grocery div
Michael Renzulli, president, Sally Beauty Co.
Howard Maier, director, mktg, domestic toiletries

ADVERTISING AGENCIES

Draper Daniels Inc., Chicago—Alberto Light & Fresh Balsam conditioner; Alberto Light & Fresh Balsam shampoo; FDS feminine deodorant spray and towelettes; For Brunettes Only; Static Guard; SugarTwin; Alberto VO5 shampoo; new products—John S. Gude, president, ceo; Jack Ragel, vp, media-mktg services; Mark Bean, vp, acct super; Cecelia Odziomek, vp, media director.

Lee King & Partners, Chicago—New Dawn 2 hair coloring; Alberto VO5 Hot Oil Treatment; Alberto VO5 conditioning hairdressing; Alberto VO5 hair spray; new products—Lee King, president, ceo; S. Jerome Reshkin, partner, exec vp; Chris Leoffler, acct super.

Corrected rankings

Rankings for several of the top advertisers are incorrectly stated in their profiles. Correct rankings are as follows: Gillette Co. (39); Revlon Inc. (40); Consolidated Foods Corp. (41); SmithKline Corp. (42); Ralston Purina Co. (43); Nabisco Inc. (44); Eastman Kodak Co. (45) and Chesebrough-Pond's (46). Warner Communications is reranked to No. 75; Kellogg Co. through Borden Inc. each move up one position in ranking.

WHERE AA GOT ITS DATA

The data on "measured media expenditures" in this report on the 100 leading national advertisers come from various statistical services and associations.

These include Leading National Advertisers, the Publishers Information Bureau, Radio Advertising Bureau, Radio Expenditure Reports, Agricultural Marketing Information Service (Agricom), LNA-Broadcast Advertisers Reports, Media Records, Institute of Outdoor Advertising and the Outdoor Advertising Assn. of America.

All of the estimated expenditures are estimated by ADVERTISING AGE.

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MARKETING PROFILES

American Airlines

	1978	1977
Sales	$2,735,508,000	$2,379,117,000
Earnings....	134,396,000	70,710,000
Advertising*	29,000,000	28,875,000

*AA estimate

American Airlines, New York, the 97th largest national advertiser, held its advertising about even in 1978 at $29,000,000, while sales increased 15% to $2,735,508,000 and earnings increased 90% to $134,396,000, the highest in the company's history.

Albert V. Casey, the airline's chairman and president, said that a number of factors contributed to this being the best year in history for American. Among these he cited that the economy was healthy, corporations were profitable and travel for business purposes grew at a healthy rate. People were willing to spend money on travel because personal income was strong and consumer sentiment was favorable to air transportation.

American offered attractive prices and promoted its fares effectively and extensively. The result was a surge in traffic that, Mr. Casey said, exceeded all expectations and set records for the company and the industry as a whole.

▪ Super Saver discount fares, first introduced on a limited number of routes by American in 1977, were extended to nearly all American passenger flights early in 1978. The discount-fare program offered reductions on coach seats of as much as 45%.

American's revenue passenger miles in 1978 were up 17.7% over those of 1977—the highest year-over-year gain in more than three decades. This enabled American to maintain its first place domestic passenger load factor ranking. (The passenger load factor is the percentage of seats occupied by paying passengers.) American's load factor of 63.7% was the highest since 1960.

Passenger business to and from points outside the U.S. mainland also turned in a healthy performance. Caribbean passenger traffic rose 15.7% over 1977 to produce a load factor of 67.7%. Mexico traffic increased 31.9%; the load factor was 73%.

The airline's freight traffic rose 5.4% to 626,000,000 ton miles. It was the first time American ever exceeded 600,000,000 ton miles in a single year. Freight revenues also exceeded the earlier high of $199,437,000 (excluding mail and express) in 1977 to reach $225,700,000 in 1978.

▪ The use of 20-foot-long cargo containers, first introduced in 1977, was extended in 1978. These containers are interchangeable among airplanes and truck, rail and ocean vehicles.

The airline also has over 4,000 containers in a variety of sizes, shapes and capacities to meet individual shipping requirements. Their movement throughout the American route system is monitored by a control center on a round-the-clock basis to ensure that units are available when and where they are needed.

American introduced jet freighter service to Detroit and San Juan, and increased the level of jet freighter service to Haiti and Santo Domingo.

Passenger service was also expanded as nine cities were added to the company's route system, increasing to 74 the number of airports served by the airline. Most of the additions were acquired under the dormant provisions of the Airline Deregulation Act of 1978.

This act allows airlines to add routes in three ways: (1) By filing applications that the Civil Aeronautics Board must process more speedily than has been typical in the past; (2) by picking up the dormant, or unused, authorities of other airlines, and (3) by a limited amount of "automatic" route expansions that will occur once a year.

▪ Sky Chefs, American's airline catering, restaurant and gift shop subsidiary, earned a pre-tax profit of $8,500,000 in 1978, an improvement of 13.8% over the previous year. Six airlines joined the list of inflight food service customers during the year, including major European carriers at Boston, Los Angeles and San Francisco.

This brings to 36 the number of airlines, other than American, catered by Sky Chefs. Catering revenues from airlines, not including American, rose 27.9% over 1977.

Americana hotels, another American subsidiary, moved into the black in 1978, reporting pre-tax earnings of $1,600,000 before a gain on the sale of the majority leasehold interest in two New York City properties, the Americana of New York and the Americana City Squire.

The occupancy rate for Americana hotels—especially strong in Mexico, Hawaii, Korea and New York City—rose to 80.4% from 76.7% in 1977. It was ahead of the 73% average for the industry as a whole. Increased pleasure travel, attributed to discount air fares and favorable currency rates, resulted in a consistent needs for hotel space at Americana's major properties.

In their first full year of operation as American Airlines subsidiaries, AA Development Corp. and AA Energy Corp. participated in exploration and development drilling activities involving 54 oil and gas wells, 36 of them productive.

The subsidiaries produced approximately 1,300,000 barrels of oil during 1978 and found, developed and acquired the equivalent of 700,000 barrels of proven reserves.

American's headquarters will be moved from New York to the Dallas/Fort Worth area in 1979. The new location was chosen because of its easy access to most points on American's route system and because it is an important connecting center between the east-west and north-south flights.

▪ The airline said it was expecting delivery in 1979 of nine Boeing 727s and 10 more in 1980, as well as four McDonnell Douglas DC-10s in 1979 and three in 1980 at a total cost of more than $400,000,000. American also has ordered 30 transcontinental Boeing 767 aircraft with an option to purchase an additional 20 at a cost, subject to escalation, of $25,000,000 per airplane.

One of several factors influencing the decision to purchase the Boeing 767s was the Federal Aviation Administration's order in December, 1976, that all airlines retire or modify by given dates in the early 1980s all large commercial jet aircraft that do not comply with federal noise regulations.

American's automated airport passenger processing system was extended to all of the U.S. mainland airports that the airline serves during 1978. The system uses computers and high speed ticket and boarding pass printers to reduce the time required for passenger check-in.

The automated system has made it possible for American to introduce a number of related service advantages for the passengers, such as check-in at city ticket offices, round trip check-in, pre-flight reserved seating and one-time issuance of boarding passes for connecting flights.

American's half-fare coupon offer.
Now through June 17th get half-fare coupons on all our domestic flights. Then use them to save 50 percent anytime from July 1 thru December 15.
We're American Airlines. Doing what we do best.
American

Half-fare coupons was one of several discount fare attractions that American Airlines used this year.

▪ The company's leadership position in the industry was heavily promoted through newspaper, radio, spot tv and magazine advertising that emphasized the people of American, "whose courtesy and professionalism were largely responsible for the company's 'No. 1' position in the industry."

The "No. 1" campaign was chosen by the American Marketing Assn., as an outstanding example of effective advertising.

A substantial portion of American's $8,000,000 fourth quarter advertising budget in 1978 went to promoting a special "business class" fare that provided segregated seating, higher-priority check-in and beefed-up meal choice and service.

The theme, "You get what you pay for at American Airlines" was promoted through ads in the business press and by spot tv and radio commercials. But lack of enthusiastic reception by customers led the airline to discontinue the service in December.

American also initiated a heavy promotion campaign in the spring of 1979, following the end of the 55-day United Airlines strike, to announce a new concept in air fares—discount coupons. The airfare deal, redeemable for half-off any first class or coach flight from July 1 to Dec. 15, ran for a month.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$10,279,000	$11,888,700
Magazines	1,583,600	2,111,000
Spot tv	9,421,400	5,963,900
Network tv	422,100	68,000
Spot radio	3,408,100	4,756,000
Outdoor	239,000	365,400
Total measured ..	25,353,500	25,153,000
Unmeasured	3,646,100	3,722,000
Estimated total ...	29,000,000	28,875,000

MARKETING PERSONNEL

Robert L. Crandall, senior vp-mktg
Otto A. Becker, senior vp-field sales/services
Randell Malin, vp-passenger sales adv
Robert H. Phillips, vp-passenger services
Wesley G. Kaldahl, vp-mktg resources
Robert W. Baker, vp-freight mktg
Martin F. Brueckner, senior director, freight sales/adv
Donald W. Burkett, director, freight adv & sales promo

Advertising/Sales Promotion

James G. Godsman, asst vp, adv & sales promo
Ann S. Boylan, director, adv
Bruce S. Goodyear, mgr, adv
Judith A. Kirvan, mgr, adv
David H. Witt, mgr, adv
Joseph N. Comiskey, mgr, adv services
Stephen A. Hicks, director, sales promo
John W. Bryce, mgr, sales promo
Phyllis E. Guest, mgr, sales promo
Ronald C. Scott, mgr, sales promo

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—passenger adv—Peter Falcone, group senior vp; Rein Luik, mgmt super; Dennis Byrnes, acct super; Martin Davis, William Jackson, senior acct execs; Don Kurn, Sheila Ewing, asst acct execs; Mary Miterko, acct coordinator; Ray Targonski, budget director.

Creamer Inc., New York—freight adv—Fred Dixon, vp, mgmt super; John Parsekian, senior acct exec.

Glenn, Bozell & Jacobs, Dallas—passenger & freight direct mail adv—Larry Stern, senior vp, director of client services; John Palombo, Charles Packard, vps, acct supers; David Lemberg, Jim Robertson, Ted Grigg, acct execs.

American Brands

	1978	1977
Sales	$5,176,700,000	$4,616,300,000
Earnings ...	211,539,000	156,359,000
Advertising	77,270,500	83,921,350

American Brands, New York, the 53rd largest national advertiser decreased its advertising expenditures by 8% in 1978 to an estimated $77,270,500. Sales of the highly diversified company increased 12% over the previous year, while earnings jumped 35%.

Currency translations increased earnings by $1,430,000 in 1978, compared with a 1977 loss of $20,227,000.

Three distinct entities are involved in American Brands' substantial tobacco sales: Gallaher Ltd. is the international arm, while domestically, American Tobacco sells cigarets and American Cigar produces cigars and smoking tobacco.

Domestic tobacco sales accounted for 21% of total American Brands sales. International tobacco sales increased their contribution by 1.5% to 42% of total sales. All told, tobacco products recorded a sales volume of $3.25 billion and accounted for nearly 66% of operating income.

▪ American Tobacco continues as the fourth largest cigaret company, trailing R. J. Reynolds, Philip Morris and Brown & Williamson. It is ahead of Loews' Lorillard division and Liggett Group. American Tobacco's production dropped from 75.62 billion in 1977 to 72.47 billion units domestically last year, resulting in its market share slipping 0.7% to 11.7%.

Industry analyst John C. Maxwell Jr. estimates that unit volume for the entire industry increased by 0.3% in 1978, continuing a five-year trend of declining growth rates. Low-tar cigarets presently account for one-third of domestic consumption, and are continuing to increase in sales.

American Tobacco has four major product lines: Carlton, Pall Mall, Silva Thins and Tareyton. Unit volume of American Tobacco's largest selling brand, Pall Mall, dropped to 37.3 billion units in 1978, from 40.29 billion.

Tareyton sales declined by 1.54 billion units to 13.38 billion, though Tareyton's low-tar entry, Tareyton Long Lights 100s, new in 1978, recorded sales of 1.18 billion units. Sales of Silva Thins were down to 1.82 billion, from 2.23 billion.

Carlton, the industry's pioneer low-tar brand, was the fastest growing brand among the top 20 cigarets. Carlton increased its volume to 10.09 billion, from 7.93 billion, paced by Carlton Filter 100s, which garnered 0.5% of the total market, up from 0.1%, as unit sales climbed to 2.90 billion, from 72,000,000.

▪ American Tobacco reports that by the end of the year, low-tar brands represented 75% of the division's filter cigaret volume. The low-tar line includes five styles of Carlton—soft pack, menthol, box in king size, 100s and menthol 100s—in addition to various low-tar styles for other brands.

American Tobacco backed its cigarets with nearly $41,000,000 in measured advertising last year. Carlton was the big spender, putting $5,845,000 into newspapers in the top 30 markets and $8,065,000 into magazines. Added to expenditures in other media, this gave Carlton a total of $17,573,600.

Tareyton allocated $3,786,550 to newspapers, and $5,066,200 to magazines; in magazines, Tareyton Lights and Long Lights received

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MARKETING PROFILES

80% of the budget. Tareyton spent $13,131,300 in all media.

Pall Mall spent $9,011,300, including $969,100 in newspapers and $7,002,200 in magazines. Pall Mall Lights 100s, introduced in August, 1978, sold 55,000,000 units, for a little more than 0.1% of the total cigaret market. The entry was backed by $2,734,800 in advertising, excluding newspapers. Silva Thins' support totaled $1,240,600.

■ American Tobacco uses a fee system to compensate its agencies, instead of the standard commission approach. The fee system guarantees an agency profits up to a certain percentage of billings, as well as providing for client/agency sharing of profits in excess of a certain percentage of billings, according to American Tobacco.

In its annual report, American Brands said the fee system resulted in savings of $2,395,000 in 1978, for a total savings of $25,189,000 over the 14 years that this system has been employed.

American Brands' British subsidiary, Gallaher Ltd., accounted for $109,897,000 in operating income in 1978, an increase of $35,542,000. Sales were £1.52 billion, of which 26% came from Gallaher's nontobacco operations—optical, engineering, retailing and wholesaling.

Benson & Hedges Special Filter is now the largest selling cigaret brand in the U.K., with Silk Cut claiming to be the largest selling low-tar brand, having captured over 50% of that market.

Gallaher's Park Drive leads the field as No. 1 in the plain cigaret market. Among cigars, Gallaher's market share increased from 38% to 39%, as its total sales were up 5% in a market that absorbed 1% more cigars.

Gallaher's leading entry is Hamlet, which witnessed a 10% rise in sales and continued in its position as the most popular brand in the U.K., including imports. The No. 2 brand is Gallaher's Manikin.

American Brands' third tobacco unit is American Cigar, whose sales in 1978 were $45,196,000, down $4,677,000, resulting in lower operating income of $4,751,000 compared with prior year's record of $7,190,000.

Part of the decline in operating income was explained by expenses incurred in consolidating all cigar production operations in Mountaintop, Pa., a move which is expected to increase profit margins.

■ As unit sales for the domestic cigar industry declined for the eighth consecutive year, all brands within the division suffered similarly.

Antonio y Cleopatra, American Cigar's leading volume and profit producer which accounts for more than half of dollar sales and operating income, had the smallest decline. This brand was supported by $300,300 in magazine advertising.

American Cigar expanded its line of imported Dutch smoking tobaccos in 1978 with the introduction of Flying Dutchman Dutch Black which, together with another Dutch import, Sail, received $127,800 in media backing.

James B. Beam Distilling Co. subsidiary reported record sales of $186,184,000, up $20,366,000, and record operating income, up 22% to $22,943,000. Jim Beam bourbon continued as the highest volume bourbon, increasing its three-gallon case sales to 3,350,000 up 2.6%.

For the first time in many years, industrywide sales of bourbon increased. Beam bourbon accounted for 76% of the division's sales and 87% of its operating income.

The bourbon received $1,578,400 in advertising support. Among all brands of spirits, Jim Beam ranks No. 6, according to John C. Maxwell Jr., an industry observer.

The company has pared down its representation in the scotch market to one entry, Spey Royal, which received $72,800 in media backing. Beam sour mash bourbon whisky received $572,400 in ad support. The company's line of imported wines was discontinued when the James B. Beam Import Co. was phased out of existence last March 1.

■ Sunshine Biscuits posted sales gains of 6% to $311,246,000, as operating income rose 9%. Sunshine Cheez-It crackers reached its highest share of the market, outselling all other cheese cracker brands. Media spending: Sunshine crackers, $800,600; Bell Brand and Blue Bell potato chips, $597,300; Sunshine cookies, $562,200, and Hydrox cookies, $78,700.

In early 1979, Sunshine shifted its advertising east of the Rockies to Marsteller Inc., New York. The account was formerly at SSC&B. Ogilvy & Mather, Los Angeles, continues as Sunshine's agency in western states.

Duffy-Mott sales remained stable, despite the discontinuance of a prune-packing arrangement that contributed nearly $9,000,000 to sales in 1977. This year's operating income stepped up 38% to $3,709,600.

Sales of Clamato were up, particularly in Canada, with the help of $245,800 in magazine spending and $45,100 for outdoor.

Mott's apple sauce line now commands a 26.4% piece of the market, with natural style Mott's apple sauce contributing importantly to the market share gain. Apple juice sales were up, spurred by the introduction of natural style Mott's apple juice.

■ Andrew Jergen Co.'s operating income dropped slightly to $6,949,000 as sales increased by $7,270,000 to $88,613,000. The loss is attributable to highly competitive markets in skin care and shampoo products.

Jergens launched an ambitious new product program in 1974. New entries since then now account for 42% of domestic sales. Gee, Your Hair Smells Terrific, on the market for four years, experienced a slowdown last year, caused by the plethora of new shampoos reaching the public. The product was supported with $1,308,600 in media, three-quarters of that amount going into network tv.

Gentle Touch, a new bath soap with baby oil, had its first year on the national market, and achieved sales in excess of $8,000,000. Of its $1,557,200 advertising budget, $1,376,700 was devoted to spot tv. Jergens lotion was a major media spender with $1,388,000.

Acushnet Co., acquired in April,

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MARKETING PROFILES

1976, is expanding its Gold Club line with two more products in 1979. Clubs received $223,400 for advertising last year; golf balls, including Titleist, received $1,523,900.

- Swingline Inc. sales were up 11% to $158,813,000, although operating income was down slightly due to a loss of $4,667,000 by Marvel Lighting, manufacturer of long-life incandescent lamps.

Leading National Advertisers reports that the segment's $458,300 ad budget was divided between $177,400 for Case Cutlery, and Swingline, which spent $83,500 on a new electric staplegun, and $170,600 on the Swingline staplegun. The new gun had sales of more than 250,000 units.

Master Lock's operating income broke a record for the 13th consecutive year, reaching $22,710,000 on sales of $62,381,000. Media spending was $249,000 in 1978.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	**$18,355,300**	**$22,317,000**
Magazines	**26,399,200**	**29,011,600**
Spot tv	**4,404,100**	**2,984,500**
Network tv	**3,749,400**	**5,227,700**
Spot radio	**46,300**	**803,000**
Network radio	**82,400**	**144,700**
Outdoor	**9,683,800**	**7,621,300**
Total measured	**62,720,500**	**68,110,500**
Unmeasured	**14,550,000**	**15,810,850**
Estimated total	**77,270,500**	**83,921,350**

AMERICAN TOBACCO CO.
New York

MARKETING PERSONNEL

W. J. Moore, adv mgr
N. H. Chester, media director
J. R. Costello, mktg controller
M. J. O'Neill, mkt rsch director
D. R. Dugan, asst adv mgr, Pall Mall
C. A. Jackson Jr., product mgr—Tareytons, Lucky 100s, Lucky Ten, Lucky Strike, Iceberg 100s, Long Johns filter and menthol, Montclair, Bull Durham filtertip, Half and Half, Twist Lemon Menthol 100s
H. W. Bahrenburg, product mgr—Carlton, Tall filter and menthol
J. A. McGinn, mgr-cigaret promos; product mgr—Silva Thins filter and menthol, American Lights filter and menthol
J. J. Mellett, media specialist
W. R. Degenhardt, asst media specialist

Sales

C. H. Mullen, vp-sales
P. F. Paoluccio, exec sales mgr
M. A. Bishof, asst to vp-sales
A. S. Roses, merch mgr
G. B. Newmark, mgr-sales dept

ADVERTISING AGENCIES

SSC&B, New York—Pall Mall, Lucky Ten, Lucky Strike, American Lights filter and menthol, Tall filter and menthol, all smoking tobaccos—S. Heagan Bayles, chairman; Alfred J. Seaman, president; Douglas Bomeisler, acct mgr; Frank Doyle, acct super; Dan Bellucci, acct exec.

F. William Free & Co., New York—Carlton, Silva Thins filter and menthol, Lucky 100s, Iceberg 100s—William Free, ceo; Don Coleman, chairman; Richard Morse, senior vp-mgmt super; Dave Jackman, vp-acct super; Bill Hartnett, Ann De Franco, acct exers.

Daniel & Charles Associates, New York—Tareyton—Charles Goldschmidt, ceo; Ira Wax, acct super; David Reeves, acct exec.

SUNSHINE BISCUITS
New York

MARKETING PERSONNEL

B. W. Arnold, vp-mktg
J. R. Neidenberg, director of mktg
R. M. Hopp, senior product mgr
J. J. Damon, mktg mgr
R. J. H[illegible]adt, mktg mgr
M. Schwartz, mktg mgr
G. P. Jantzi, asst mktg mgr
A. E. Byrn, mktg services director

ADVERTISING AGENCY

Marsteller Inc., New York—Jay Ashton, vp-mgmt super; Ray Gaulke, president; Peter Johns, vp-genl mgr; Matthew Kasman, asst acct exec; Larry Margolin, acct exec; Bert Rosenberg, group vp.

DUFFY-MOTT CO.
New York

MARKETING PERSONNEL

K. J. Ward, vp-mktg & sales
M. J. Burt, group product mgr
T. J. Asma, product mgr
O. S. McGovern, product mgr

ADVERTISING AGENCY

Compton Advertising, New York—James M. Lomonosoff, acct super.

ACME VISIBLE RECORDS
Crozet, Va.

MARKETING PERSONNEL

V. E. Kenley, vp-domestic sales & mktg
W. B. Shea, vp-intl sales & mktg

ADVERTISING AGENCY

E. H. Brown Advertising Agency, Chicago—E. H. Brown, president.

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100 Leaders' Advertising as Per Cent of Sales

Covering total 1978 ad expenditures, including measured and unmeasured media

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AD RANK	COMPANY	ADVERTISING	SALES	ADV. AS % OF SALES
	Airlines			
73	UAL Inc.	$ 50,624,437	$ 3,890,298,000	1.3
84	Trans World Corp.	37,500,000	3,695,000,000	1.0
92	Eastern Airlines	34,800,000	2,379,564,000	1.5
97	American Airlines	29,000,000	2,735,508,000	1.1
98	Delta Air Lines	28,900,000	2,225,447,000	1.3
	Appliances, Tv, Radio			
21	RCA Corp.	140,000,000	6,644,500,000	2.1
31	General Electric Co.	121,294,400	19,653,800,000	0.6
79	North American Philips Co.	42,100,000	2,184,011,000	1.9
	Automobiles			
4	General Motors Corp.	266,346,000	63,221,100,000	0.4
8	Ford Motor Co.	210,000,000	42,784,100,000	0.5
10	Chrysler Corp.	188,900,000	13,600,000,000	1.4
61	Toyota Motor Sales U.S.A.	64,575,700	12,767,840,000	0.5
65	Nissan Motor Co.	61,492,200	10,437,488,000	0.6
69	Volkswagen of America	57,000,000	14,110,000,000	0.4
78	American Motors Corp.	43,444,500	2,585,428,000	1.7
89	Honda Motor Co.	35,000,000	1,639,000,000	2.1
	Chemicals			
35	American Cyanamid Co.	115,000,000	2,745,745,000	4.2
57	DuPont	70,000,000	10,584,000,000	0.6
72	Union Carbide Corp.	51,103,764	7,869,700,000	0.6
	Communications, Entertainment			
30	CBS Inc.	122,322,000	3,290,052,000	3.7
55	Time Inc.	76,348,000	1,697,585,000	4.5
66	MCA Inc.	61,000,000	1,120,644,000	5.4
75	Warner Communications	47,575,300	1,309,419,000	3.6
87	ABC Inc.	35,854,400	1,783,985,000	2.0
	Drugs			
37	Richardson-Merrell	105,000,000	944,961,000	11.1
41	SmithKline Corp.	91,215,000	1,112,039,000	8.2
51	Sterling Drug	78,000,000	724,595,000	10.8
59	Schering-Plough	68,000,000	1,082,493,000	6.3
63	Miles Laboratories	62,258,000	536,983,000	11.6
74	Squibb Corp.	50,000,000	1,515,882,000	3.3
80	Pfizer Inc.	38,424,300	1,042,100,000	3.7
85	A. H. Robins Co.	36,886,000	357,070,000	10.3
	Food			
3	General Foods Corp.	340,000,000	5,472,500,000	6.2
14	General Mills	170,000,000	3,745,000,000	4.5
17	Beatrice Foods Co.	150,370,000	7,468,373,000	2.0
19	Norton Simon Inc.	144,591,000	2,428,797,000	6.0
20	Esmark	141,431,000	5,863,962,000	2.4
23	McDonald's	136,803,000	4,575,000,000	3.0
36	Kraft Inc.	114,166,700	5,669,900,000	2.0
38	Pillsbury Co.	104,000,000	2,165,983,000	4.8
40	Consolidated Foods	91,500,000	4,700,000,000	1.9
42	Ralston Purina Co.	91,000,000	4,058,400,000	2.2
43	Nabisco Inc.	95,600,000	2,197,300,000	4.1
49	Kellogg Co.	79,600,000	1,690,600,000	4.7
52	Nestle Co.	77,919,000	1,306,000,000	6.0
56	H. J. Heinz Co.	74,111,000	2,150,027,000	3.4
58	Quaker Oats Co.	69,312,000	1,685,600,000	4.1
60	CPC International	65,901,700	3,221,800,000	2.0
70	Campbell Soup Co.	56,400,000	1,983,659,000	2.8
74	Borden Inc.	50,000,000	3,802,559,000	1.3
86	Morton Norwich	36,182,000	656,733,000	5.5
94	Standard Brands	34,191,000	2,400,000,000	1.4
99	Carnation Co.	28,500,000	2,576,047,000	1.1
	Gum and Candy			
67	Mars Inc.	60,180,000	837,400,000	7.2
83	Wm. Wrigley Jr. Co.	37,771,852	445,639,000	8.5

AD RANK	COMPANY	ADVERTISING	SALES	ADV. AS % OF SALES
	Oil			
15	Mobil Corp.	$163,043,300	$37,331,000,000	0.4
82	Exxon Corp.	38,000,000	64,886,000,000	0.6
	Photographic Equipment			
44	Eastman Kodak Co.	86,071,700	7,012,923,000	1.2
71	Polaroid Corp.	52,752,500	1,376,590,000	3.8
	Retail Chains			
2	Sears, Roebuck & Co.	417,934,900	17,946,000,000	1.9
5	K mart	250,000,000	11,695,539,000	2.1
27	J. C. Penney Co.	125,000,000	10,845,000,000	1.2
	Soaps, Cleansers (And Allied)			
1	Procter & Gamble	554,000,000	9,329,306,000	5.9
18	Unilever	145,000,000	1,812,000,000	8.0
29	Colgate-Palmolive Co.	122,500,000	4,312,054,000	2.8
77	S. C. Johnson & Son	43,903,400	550,000,000	8.0
93	Clorox Co.	34,645,000	1,046,577,000	3.3
	Soft Drinks			
16	PepsiCo	156,000,000	4,300,006,000	3.6
22	Coca-Cola Co.	138,805,300	4,337,900,000	3.2
	Telephone Service, Equipment			
13	American Telephone & Telegraph Co.	172,822,100	40,933,356,000	0.4
28	International Telephone & Telegraph Co.	122,700,000	15,261,178,000	0.8
	Tobacco			
6	Philip Morris Inc.	236,851,000	6,632,463,000	3.6
12	R. J. Reynolds Industries	182,596,300	6,622,100,000	2.8
47	B.A.T. Industries	82,397,500	1,361,700,000	6.1
53	American Brands	77,270,500	5,176,700,000	1.5
54	Liggett Group	77,000,000	970,695,000	7.9
	Toiletries, Cosmetics			
7	Warner-Lambert Co.	211,000,000	2,878,496,000	7.3
9	Bristol-Myers Co.	192,850,000	2,450,429,000	7.8
11	American Home Products Corp.	183,000,000	3,276,605,000	5.6
38	Gillette Co.	99,000,000	1,710,471,000	5.8
39	Revlon Inc.	92,000,000	1,451,669,000	6.3
45	Chesebrough-Pond's	84,747,600	969,833,000	8.7
62	Avon Products	63,800,000	2,014,706,000	3.2
91	Noxell Corp.	34,902,400	156,408,000	22.3
96	Alberto-Culver	32,391,872	172,537,684	18.8
100	Beecham Group	27,656,500	1,910,817,000	1.4
	Wine, Beer and Liquor			
32	Seagram Co.	120,000,000	2,272,584,000	5.3
33	Heublein Inc.	118,000,000	1,620,112,000	7.3
34	Anheuser-Busch	116,599,000	2,701,611,000	4.3
68	Jos. Schlitz Brewing Co.	58,213,000	1,083,272,000	5.4
89	Brown-Forman	35,000,000	560,000,000	6.2
	Miscellaneous			
24	Johnson & Johnson	134,000,000	1,991,307,000	6.7
25	U. S. Government	128,452,200	—	—
26	Gulf + Western Industries	126,787,000	4,311,956,000	2.9
50	Loews Corp.	78,885,800	3,455,644,000	2.3
64	American Express	62,000,000	4,084,500,000	1.5
76	Greyhound Corp.	45,742,500	4,589,765,000	1.0
81	Kimberly-Clark Corp.	38,139,000	1,910,600,000	2.0
88	Mattel Inc.	35,629,600	493,563,000	7.2
95	Scott Paper Co.	33,274,000	1,724,897,000	1.9

BEST AVAILABLE COPY

MARKETING PROFILES

WILSON JONES CO.
Chicago

MARKETING PERSONNEL

J. Janes, mktg mgr
R. Smock, director, mktg services
M. Rosenfeldt, adv mgr

ADVERTISING AGENCY

Al Paul Lefton Co., New York—G. William Wolfston, acct super; R. Ellis, acct exec.

ACUSHNET CO.
New Bedford, Mass.

MARKETING PERSONNEL

Golf Division

R. B. Forbush, business mgr, golf balls
C. D. Rambo, business mgr, clubs & accessories
W. R. Uihlein, natl sales mgr

Rubber Division

J. W. Burns, vp-mktg & sales
R. T. LaCrosse, director of mktg, CMP
R. A. Bugg, product mgr, automotive-CMP
R. E. Sammis Jr., product mgr, industrial products
R. Vaillancourt, product mgr, ElastaCAST
R. J. Chapple, product mgr, O'Ring

ADVERTISING AGENCIES

Humphrey Browning MacDougall, Boston—Golf division—Terrence O'Leary, acct super.

Creamer Inc., Providence, R.I.—rubber division—Robert Lynch, vp, adv & media super.

JAMES B. BEAM DISTILLING CO.
Chicago

MARKETING PERSONNEL

R. Soderman, vp-director, mktg services
V. Zast, director, adv & sales promo

ADVERTISING AGENCIES

Lee King & Partners, Chicago—Jim Beam bourbon—Charles Brom, acct super.

Arthur Meyerhoff & Associates, Chicago—Beam's sour mash bourbon, Beam's Choice bourbon, Dark Eyes vodka, Chateaux cordials, Spey Royal scotch, Beamero tequila, Mr. and Mrs. "T" bloody mary mixes—Robert Fierst, acct super.

SWINGLINE INC. THE SWINGLINE CO.
New York

MARKETING PERSONNEL

J. McEvily, vp-mktg, consumer products
F. Weiss, vp-mktg, office products
G. Telchin, mktg mgr, office products

ADVERTISING AGENCIES

Al Paul Lefton Co., New York—G. William Wolfston, acct exec, office products.

W. B. Doner & Co., Baltimore—R. Jaeckel, acct exec, consumer products.

MASTER LOCK CO.
Milwaukee

MARKETING PERSONNEL

J. A. Yates, vp-mktg
E. Allen, mgr, mktg services

ADVERTISING AGENCY

Cramer-Krasselt, Milwaukee—consumer trade, intl adv—W. Faude, acct super.

ANDREW JERGENS CO.
Cincinnati

MARKETING PERSONNEL

R. G. Chandler, vp-product mgmt

Sales

R. L. Dom, vp-sales

ADVERTISING AGENCY

Cunningham & Walsh, New York—Jergens lotion (white and yellow), Gee, Your Hair Smells Terrific shampoo & conditioner, Gentle Touch soap.

AMERICAN CIGAR
New York

MARKETING PERSONNEL

G. L. Theophilos, vp-sales
K. P. Noone, product mgr
T. P. Tiernan, mgr, sales admin
E. M. Totty, sales mgr, West
E. A. Vega, sales mgr, East
E. J. Gesell, asst product mgr
J. E. Vyse, mktg controller

ADVERTISING AGENCY

SSC&B, New York—Roi-Tan, Antonio y Cleopatra, Bock y Ca, La Corona cigars, Roi-Tan little cigars, A&C little cigars, Deringer little cigars, Skallorna, Sail, Flying Dutchman, Clan smoking tobaccos—S. Heagan Bayles, chairman; Howard Becker, vp; Frank Doyle, acct super.

FRANKLIN LIFE INSURANCE CO.
Springfield, Ill.

MARKETING PERSONNEL

R. L. Kehrli, senior vp—agency mktg operations
T. M. Costa, vp-adv & sales promo

American Cyanamid Co.

	1978	1977
Sales	$2,745,745,000	$2,412,311,000
Earnings ...	155,000,000	76,500,000
Advertising*	115,000,000	96,000,000

***AA estimate**

American Cyanamid Co., Wayne, N.J., the 35th largest U.S. advertiser, increased its advertising for 1978 by 20% with estimated total expenditures of $115,000,000.

Worldwide, Cyanamid invested $161,200,000 in advertising, up 16% from $138,900,000 in 1977.

Worldwide sales increased 13.8% from $2,412,311,000 to $2,745.745,000. Net earnings worldwide were $155,900,000, up 102%. Operating earnings were $310,000,000, up 12.3% for the year.

Only the consumer products businesses posted lower earnings than last year. The company attributes this to increased competition in the shampoo business, and building programs for new and existing products undertaken during the year. Specialty chemicals and medical products had the highest gains.

The consumer products group was reorganized once again and now consists of four separate divisions: Shulton Inc. Toiletries division, Household Products division, Jacqueline Cochran Inc. and Shulton Inc., International Division.

Sales for the group were $357,000,000, an increase of 13%, but operating earnings declined 10% because of several new product introductions.

- The Formica division posted sales of $396,000,000, up 25% from last year. Operating earnings increased 18%.

Sales in the Agriculture division rose 10% to $611,000,000, while operating earnings advanced 4%. Three recently introduced products played a major role in the upturn—Counter soil insecticide, and Prowl and Avenge herbicides.

Medical sales climbed 16% to $560,000,000. Operating earnings were 22% above those of 1977. Increased sales of Minocin, an antibiotic; Dexon, the first synthetic absorbable suture, and Orimune, the first oral polio vaccine in trivalent form, all contributed to the advance.

Sales of specialty chemicals were up 12% to $22,000,000, with operating earnings advancing by 21%. Structural adhesives and other products for the aeronautics industry were behind the sales growth.

- Measured media spending at Cyanamid last year totaled $37,559,800, up from last year's measured expenditures of $34,925,700. The Old Spice line replaced the Breck hair products line as the most heavily backed product group.

Total spending on Old Spice products was $8,295,600, all but $762,500 of that in network and spot tv. Old Spice Cologne, backed by $4,407,000 in measured media, was the most heavily supported product in that line. In 1977, Cyanamid spent $7,023,000 on Old Spice.

Breck Gold Liquid Formula shampoo continued to be the company's most heavily advertised brand with $6,052,600 in measured media backing it. The entire Breck line got $7,439,538 in measured media, a decrease of about 28%.

Despite the reduction in over-all spending on the Breck line, expenditures for Breck Gold Liquid Formula shampoo were increased about 20%. But the Breck share of the shampoo business continued to slide to about 4% of the category.

About 80% of Cyanamid's measured media spending went in support of consumer products. The second most heavily advertised brand was Pine-Sol cleaner with total measured media spending of $4,903,200—all in network or spot tv. Cie perfume got $4,756,200 in measured media support—all but $494,900 in network and spot tv.

- From Lederle Labs, Stresstabs was the most heavily advertised product with $2,727,200 in measured media—almost twice last year's outlay and the majority

How will you bridge the gap between the television set and the checkout counter?

Or, what are you doing about the other half of the marketing mix?

No matter how good your advertising is, it stops short of the final sale.

A long and perilous gap separates the television screen and the magazine page from the checkout counter.

Often, what happens in between can tip the balance. Your message can be drowned by distractions. Or it can gain new selling force.

That's where we come in.

At Elliot J. Axelrod Associates, Inc., we provide **the other half of the marketing mix.** Ideas and materials that close the gap between where your consumer advertising leaves off and the sale begins.

We motivate your salesmen to sell better, help the trade to merchandise better, create excitement and heighten consumer trial at the point of sale.

Our services include promotional programs, packaging, audio/visual presentations, sales aids, creative premiums, point of sale material, and incentive programs.

We believe these services are too important to be handled piecemeal. They deserve the same caliber of creative thought, the same degree of marketing insight that characterizes your advertising.

At Elliot J. Axelrod Associates, that's what they get. And it all gets some pretty outstanding results for our clients.

To learn more about us, call Elliot Axelrod, Ken Marden or Peggy O'Brien at **212-889-5553.**

eja

ELLIOT J. AXELROD ASSOCIATES, INC.
105 MADISON AVE., NEW YORK 10016

Creative Services for Creative Marketers

100 Leaders' Media Expenditures Compared in 1978

In measured media only, grouped by industries; ad dollars in thousands

			% of Total Dollars							
RANK	COMPANY	TOTAL	News-papers	Genl Mags.	Farm Pub.	Spot TV	Net TV	Spot Radio	Net Radio	Out-door
	Airlines									
64	UAL Inc.	$ 39,526.7	33.8	11.1	—	21.2	23.8	9.5	—	0.6
89	Delta Air Lines	26,549.3	60.9	5.5	—	7.5	0.1	21.2	—	4.8
93	American Airlines	25,353.9	40.5	6.2	—	37.1	1.7	13.5	—	1.0
94	Eastern Air Lines	25,353.0	44.5	14.7	—	20.3	3.6	11.4	—	5.5
95	Trans World Corp.	24,304.9	46.2	7.1	—	31.8	—	14.7	—	0.2
	Appliances, Tv, Radio									
31	RCA Corp.	72,837.4	26.3	30.7	—	13.4	28.6	0.3	0.2	0.5
43	General Electric Co.	56,294.4	16.0	33.5	—	14.5	33.9	1.6	0.3	0.2
85	North American Philips	27,020.5	6.4	9.8	0.5	40.3	41.8	1.2	—	—
	Automobiles									
3	General Motors Corp.	266,346.0	17.5	21.1	0.6	9.4	40.5	7.6	1.2	2.1
6	Ford Motor Co.	172,038.7	15.8	13.8	1.1	18.2	46.2	3.8	0.3	0.8
11	Chrysler Corp.	144,200.0	4.2	26.8	—	24.0	40.9	2.1	1.7	0.3
40	Toyota Motor Co.	57,075.7	14.6	15.7	—	35.4	26.3	5.9	—	2.1
49	Nissan Motor Corp.	52,292.2	8.3	12.2	—	26.5	36.9	15.0	0.2	0.9
52	Volkswagen of America	48,469.2	4.4	34.1	—	20.6	38.7	1.3	—	0.9
59	American Motors Corp.	43,444.5	17.6	13.4	—	25.9	41.3	1.8	—	—
76	American Honda Motor Co.	31,504.2	7.9	32.2	—	3.5	53.1	3.3	—	—
	Chemicals									
66	American Cyanamid Co.	37,559.8	0.8	18.5	9.9	20.1	48.1	2.5	—	0.1
87	Union Carbide Corp.	26,668.9	7.7	13.6	6.4	5.7	58.5	5.5	1.7	0.9
98	Du Pont	22,983.5	1.8	58.3	7.5	10.5	21.1	0.8	—	—
	Communications, Entertainment									
37	CBS Inc.	61,143.2	24.3	44.3	—	22.0	4.0	3.0	1.3	1.1
38	Time Inc.	60,010.3	9.2	39.0	—	38.6	10.1	1.7	1.4	—
80	Warner Communications	28,675.3	2.0	10.0	—	30.8	55.2	1.0	0.2	0.8
81	American Broadcasting Co.	28,534.3	35.6	45.0	—	14.7	—	1.9	1.3	1.5
82	MCA Inc.	27,671.0	14.9	10.8	—	45.0	27.1	1.0	0.7	0.5
	Drugs									
28	Sterling Drug Co.	75,692.7	1.8	9.5	0.4	8.3	73.3	3.0	3.6	0.1
44	Richardson-Merrell	56,086.4	0.4	4.6	—	18.5	70.8	5.0	0.7	—
48	Schering-Plough Corp.	52,656.6	0.5	18.1	0.5	15.5	54.1	2.5	5.6	3.2
58	Miles Laboratories	44,459.6	0.3	9.0	3.6	19.1	62.9	0.9	1.2	3.0
74	Squibb Corp.	33,326.6	0.4	4.8	—	7.5	74.7	12.4	0.2	—
79	SmithKline Corp.	30,956.1	0.4	7.2	2.1	15.9	54.4	2.0	16.6	1.4
83	A. H. Robins Co.	27,164.2	—	8.2	—	91.8	—	—	—	—
99	Pfizer Inc.	22,924.3	0.4	32.9	5.4	10.2	50.8	0.3	—	—
	Food									
2	General Foods Corp.	293,013.5	2.8	12.4	—	26.4	57.8	0.4	0.2	—
9	General Mills	160,164.3	2.4	10.1	—	31.9	52.6	3.0	—	—
12	McDonald's Corp.	118,016.7	—	0.4	—	56.2	41.1	0.6	—	1.7
19	Kraft Inc.	91,810.2	5.5	23.8	—	36.3	28.3	2.0	2.1	2.0
21	Ralston Purina Co.	88,234.6	2.5	10.5	0.7	16.7	64.7	4.5	0.4	—
23	Pillsbury Co.	79,960.3	2.3	5.7	—	31.2	58.9	1.3	—	0.6
26	Nestle Enterprises	77,399.2	6.8	5.7	—	38.9	47.6	0.8	—	0.2
27	Nabisco Inc.	77,387.5	3.8	7.1	—	15.4	73.0	0.6	0.1	—
29	Kellogg Co.	75,414.6	6.4	2.7	—	29.5	57.3	3.9	0.2	—
33	Esmark Inc.	67,371.9	3.7	5.4	—	27.8	61.8	1.0	0.3	—
41	Consolidated Foods Corp.	56,702.2	3.1	12.0	—	27.9	55.8	1.0	—	0.2
42	Norton Simon Inc.	56,510.4	8.3	28.9	—	25.5	32.3	0.9	—	4.1
53	Quaker Oats Co.	47,180.3	6.2	21.2	—	29.4	42.6	0.6	—	—
60	H. J. Heinz Co.	42,615.5	6.0	4.2	—	19.9	69.2	0.5	—	0.2
63	Campbell Soup Co.	40,027.2	8.4	14.5	—	25.2	46.6	3.0	1.7	0.6
68	Borden Inc.	36,468.4	12.8	9.1	0.8	29.1	36.0	11.0	1.1	0.1
69	CPC International	36,154.5	1.5	9.3	—	37.5	51.0	—	—	0.7
70	MortonNorwich Products	34,836.0	3.6	7.8	—	15.1	67.3	0.8	5.4	—
73	Beatrice Foods Co.	33,429.8	8.1	12.0	2.6	50.6	16.7	9.6	0.3	0.1
90	Carnation Co.	26,473.6	11.1	7.1	1.1	12.1	66.8	1.8	—	—
96	Standard Brands	24,253.6	6.7	16.5	—	35.6	37.1	2.1	—	2.0
	Gum, Candy									
56	Mars Inc.	46,295.1	2.0	7.0	—	39.1	50.7	1.0	—	0.2
67	Wm. Wrigley Jr. Co.	37,171.8	0.9	0.1	—	62.8	17.7	10.7	7.8	—
	Oil									
39	Mobil Corp.	$57,864.3	8.1	6.0	3.1	57.5	18.9	5.9	0.4	0.1
77	Exxon Corp.	31,260.8	6.3	16.5	0.6	21.8	40.5	12.9	—	1.4
	Photographic Equipment									
46	Eastman Kodak Co.	55,871.7	4.9	27.1	—	7.6	55.9	2.4	1.2	0.9
62	Polaroid Corp.	40,752.5	6.3	15.5	—	9.1	69.1	—	—	—
	Retail Chains									
8	Sears, Roebuck & Co.	163,934.9	—	34.1	—	12.9	43.5	6.7	2.7	0.1
47	J.C. Penney Co.	55,384.9	—	7.1	—	34.7	53.6	1.3	3.0	0.3
75	K mart Corp.	32,731.3	—	12.1	—	46.0	27.2	10.7	4.0	—
	Soaps, Cleansers (and Allied)									
1	Procter & Gamble Co.	464,292.8	1.8	7.3	—	34.3	56.4	0.2	—	—
13	Unilever	115,521.2	3.4	9.8	—	33.9	52.4	0.5	—	—
17	Colgate-Palmolive Co.	96,905.5	2.8	6.8	0.1	35.7	51.3	2.8	0.5	—
54	Clorox Co.	46,778.6	0.6	14.0	—	12.2	73.0	0.2	—	—
72	S.C. Johnson & Son	33,903.4	3.3	27.3	—	6.2	60.6	0.9	1.3	0.4
	Soft Drinks									
15	PepsiCo Inc.	102,285.6	1.7	1.7	—	45.5	44.3	6.4	—	0.4
16	Coca-Cola Co.	100,805.3	4.3	3.1	—	44.0	39.8	6.2	—	2.6
	Telephone Service, Equipment									
14	American Telephone & Telegraph Co.	110,142.3	10.9	15.2	—	30.1	37.4	4.4	1.5	0.5
45	International Telephone & Telegraph Corp.	55,989.1	2.3	13.5	—	51.3	30.3	1.5	0.3	0.8
	Tobacco									
4	Philip Morris	218,351.9	23.8	24.4	—	7.5	30.7	2.4	—	11.2
5	R.J. Reynolds Industries	179,879.9	34.0	39.7	—	4.0	4.4	0.1	—	17.8
30	Liggett Group	74,514.4	25.5	31.0	—	6.3	23.3	0.8	0.9	12.2
34	B.A.T. Industries	66,397.5	24.9	34.3	—	9.1	—	—	—	31.7
36	American Brands	62,720.5	29.3	42.1	—	7.0	6.0	0.1	0.1	0.15.4
	Toiletries, Cosmetics									
7	American Home Products	166,758.9	1.2	4.6	0.1	23.2	66.7	2.3	1.9	—
10	Bristol-Meyers Co.	155,944.9	0.5	15.2	—	11.0	70.7	2.6	—	—
18	Warner-Lambert Co.	92,744.6	1.1	4.9	—	30.3	60.1	0.6	2.9	0.1
32	Gillette Co.	67,834.9	1.1	14.4	—	21.6	62.9	—	—	—
50	Chesebrough-Pond's	49,012.6	5.2	13.7	—	10.9	69.5	0.5	0.2	—
51	Revlon Inc.	48,914.9	2.5	19.6	—	27.1	47.3	1.5	1.9	0.1
71	Noxell Corp.	34,044.8	—	18.0	—	10.5	68.8	2.7	—	—
88	Beecham Group	26,556.5	0.7	4.1	1.4	14.6	78.1	1.1	—	—
92	Avon Products	25,379.6	2.7	11.3	—	4.3	79.3	1.3	1.1	—
97	Alberto-Culver Co.	23,297.2	—	3.4	—	63.9	32.7	—	—	—
	Wine, Beer, Liquor									
20	Seagram Co.	90,077.0	8.9	76.8	—	4.0	3.8	0.2	—	6.3
24	Anheuser-Busch	79,786.5	3.0	3.8	—	13.9	58.7	15.4	3.1	2.1
25	Heublein Inc.	79,235.4	6.3	21.8	—	23.7	34.2	4.4	0.8	8.8
57	Jos. Schlitz Brewing Co.	44,743.1	1.5	0.2	—	18.7	72.0	7.4	—	0.2
100	Brown-Forman Distillers Corp.	21,633.3	9.4	38.5	—	13.2	22.6	—	—	16.3
	Miscellaneous									
22	Johnson & Johnson	86,035.6	2.4	13.6	—	7.6	75.5	0.9	—	—
35	Loews Corp.	66,385.8	40.2	36.4	—	0.7	0.3	0.9	—	21.5
55	U.S. Government	46,745.0	5.5	44.5	—	8.2	24.2	12.7	2.6	2.3
61	American Express Co.	41,530.7	6.1	13.1	—	19.8	55.1	4.8	1.0	0.1
65	Gulf + Western Industries	39,028.9	3.4	13.8	—	38.4	40.9	1.9	0.2	1.4
78	Mattel Inc.	31,129.6	—	3.9	—	59.0	36.4	—	—	0.7
84	Greyhound Corp.	27,094.5	12.8	21.6	—	7.6	47.1	5.8	5.0	0.1
86	Kimberly-Clark Corp.	26,974.0	4.0	13.1	—	21.9	61.0	—	—	—
91	Scott Paper Co.	26,459.6	9.8	2.6	—	67.4	18.1	1.6	—	0.5

MARKETING PROFILES

of it in magazines. The division also introduced Centrum, a high potency vitamin and mineral supplement, with the promise of major ad support.

The Breck shampoo and cream rinse accounts were transferred from BBDO to Ted Bates, where a new campaign, "hats off," signaled a break from the long-established "Breck girls" theme.

The fragrance segment of the consumer products group saw substantial advertising and promotion activity. L'Air du Temps, at Sacks & Rosen, shifted its focus during the holiday season to include male gift givers, as well as women purchasing perfume for themselves.

The fragrance, which does about $50,000,000 in retail sales, will get tv spots, some with store tie-ins, in 11 markets. The program will be expanded to include 20 markets for the coming Christmas season.

Emphasis in all the Jacqueline Cochran fragrance brands will be on the woman as self-purchaser. Cie will continue to be heavily promoted with Candice Bergen as spokeswoman.

In men's fragrances, Dancer Fitzgerald plans a spot tv campaign in three states to test Tabac, a line priced lower than the top-selling Pierre Cardin.

Other important advertising efforts in 1978 included the test marketing of Lemon-Sol, a new household cleaner, assigned to Bozell & Jacobs; a Norman, Craig & Kummel tv campaign for Old Spice stick deodorant featuring the NY Giants, and Pine-Sol's Star Wars promotion.

Ads, prepared by Richardson, Myers & Donofrio, were run in the *New York Times* and the *Washington Post* in response to criticism on the use of antibiotics in animal feed.

American Cyanamid also faced a court fight with the Federal Trade Commission over the use of Formica as a trademark. The FTC is seeking to deny the company the trademark on the grounds that Formica has become a generic term.

A number of new products are in development or testing stages. Two of the more promising, according to the company, are an anti-anxiety agent without the usual sedative effect of tranquilizers and an analgesic without codeine's addictive characteristics.

MARKETING PROFILES

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 284,400	$ 262,000
Magazines	6,962,300	5,572,900
Farm publications	3,736,200	2,858,600
Spot tv	7,551,000	6,078,000
Network tv	18,081,200	16,361,900
Spot radio	920,200	735,000
Outdoor	24,500	157,000
Total measured	37,559,800	34,925,700
Unmeasured	77,440,200	61,074,300
Estimated total	115,000,000	96,000,000

AGRICULTURAL DIVISION

MARKETING PERSONNEL

T.J. Raser, adv mgr-pesticides
W.J. Reynolds, adv mgr-animal industry

ADVERTISING AGENCIES

Bergelt Advertising, New York—poultry food products. E.C. Bergelt, acct super.

Tucker Wayne, Atlanta—pesticides, plant food. Bill Dickson, acct super.

Richardson, Myers & Donofrio, Baltimore—animal industry products. Cy Halada, acct super.

CONSUMER PRODUCTS SHULTON INC. TOILETRIES DIVISION

MARKETING PERSONNEL

R. K. Holliday, vp mktg, Shulton Products
S. P. Falk, director, mktg, Shulton Products
S. Werthmann, group product mgr, Shulton Products
S. G. Rothschild, vp mktg, Breck Products
G. W. Bellucci, group product mgr, Breck Products
K. M. Freeman, group product mgr, Breck Products
L. J. Lent, director, mktg services
J. B. Gibbs, director, adv services

HOUSEHOLD PRODUCTS DIVISION

MARKETING PERSONNEL

T. G. Piazza, director, mktg
G. J. Kuodis, senior product mgr
D. A. Tarasevich, senior product mgr
J. B. Gibbs, director, adv services

JACQUELINE COCHRAN INC. DIVISION

MARKETING PERSONNEL

A. Rowland, senior vp, mktg
J. F. Gelson, vp, managing director, CFG
F. Robinson, vp, mktg director, Ricci Products
G. G. Wasserman, vp, mktg director, Cardin & Carven Products
J. B. Gibbs, director, adv services

ADVERTISING AGENCIES

Ted Bates & Co., New York—Breck Products & Lemon Sol.

BBDO, New York—Pine-Sol & Lite-Up. John W. Thorn, acct super.

Dancer Fitzgerald Sample, New York—Tabac. Gary Susnjara, acct super.

MCA-Graham Advertising, New York—Old Spice stick deodorant antiperspirant. George Hoefer, acct super.

Norman, Craig & Kummel, New York—Old Spice, Blue Jeans, Cie. Peter Stearns, acct super.

Sacks & Rosen, New York—Ricci, Cardin, Carven. Michael Rosen, acct super.

FIBERS DIVISION

MARKETING PERSONNEL

W. De Martine, mktg mgr-acrylic fibers
Jeanne Budde, mktg communications mgr

ADVERTISING AGENCY

Grey/2, New York—Dennis McAnany, acct exec.

FORMICA CORP.

MARKETING PERSONNEL

James Plumpton, vp-mktg
E. C. Collier, mgr, mktg services
J. P. Alexander, mgr-mktg communications

ADVERTISING AGENCY

Fahlgren & Ferriss, Cincinnati—V.J. Backley Jr., president; Don Malton, acct super.

SHULTON INC., INTERNATIONAL DIVISION

MARKETING PERSONNEL

Richard H. Eggers, vp-mktg
Roland Vigue, mktg services

ADVERTISING AGENCY

Mathieu, Gerfen & Bresner, New York—Hank Gerfen, vp; Tom Carroll, acct exec.

INDUSTRIAL CHEMICALS DIVISION

MARKETING PERSONNEL

M. R. O'Rourke, adv/sales promo mgr

ADVERTISING AGENCIES

Hazard, Barbetta & Miller, Fairfield, N.J.—Tom Brogan, acct exec.

Wildrick & Miller, New York—Donald Wildrick, president.

LEDERLE LABORATORIES

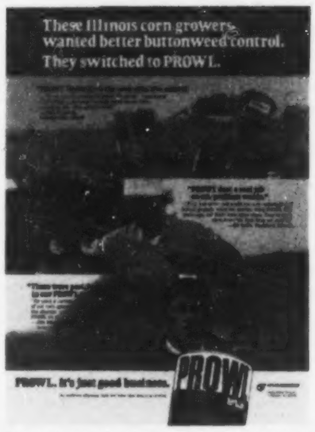
MARKETING PERSONNEL

Pharmaceutical Department

R.F. Saydah, director, mktg
R.M. Lynch, product group director-ethical drugs
A. Simon, product group director-otc
David Bethune, product group director-standard products

Davis & Geck Department

T.R. Lind, genl mgr
Kim F. Wilson, director, mktg
D.P. Pfarr, mktg communications director


These Illinois corn growers wanted better buttonweed control. They switched to PROWL.
PROWL. It's just good business.
PROWL

American Cyanamid Co. is one of the heavier advertisers in farm publications.

ADVERTISING AGENCIES

Carafiello, Diehl & Associates, Irvington-on-Hudson, N.Y.—T. Sweeney, acct exec.

Klemtner Advertising, New York—Gavin Scotti, acct super.

Rolf, Werner, Rosenthal, New York—Herb Messinger, mgmt acct super; Rob Recobs, acct super.

Symon Thomas & Hilliard, New York—Davis & Geck Dept., Jim Thomas, acct exec.

ORGANIC CHEMICALS DIVISION

MARKETING PERSONNEL

C.W. Kohlman, adv mgr

ADVERTISING AGENCIES

Wildrick & Miller, New York—S.D. Wildrick, acct exec.

J.M. Kesslinger & Associates, Newark—J. Dietz, acct exec.

E.A. Robinson Inc., Troy, Mich.—E.A. Robinson, acct exec.

Jarman, Spitzer & Felix, New York—Richard Felix, acct exec.

CYANAMID INTERNATIONAL

MARKETING PERSONNEL

K.F. Stone, director-mktg svces, Europe/Mideast/Africa
K. Sethna, director-mktg svces, Americas/Far East

ADVERTISING AGENCIES

Carafiello, Diehl & Associates, Irvington-on-Hudson, N.Y.—pharmaceuticals, surgical sutures. T. Sweeney, acct exec.

Harrison Cowley Advertising, Southhampton, England.

Klemtner Advertising, New York—pharmaceuticals, surgical sutures. Gavin Scotti, acct super; James Carlson, acct exec.

Landi-Handler, New York—pharmaceuticals. Murry Handler, president.

Naimark & Barba, New York—pharmaceuticals. G. Naimark, president.

Rebell International, Mountain Lakes, N.J.—pharmaceuticals. Warren Rebell, president.

Rolf Werner Rosenthal, New York—pharmaceuticals. Rob Recobs, acct super.

Wildrick & Miller, New York—chemical products, agricultural products. Donald Wildrick, president; Walter Doyle, vp/acct exec.

CYANAMID OF CANADA LTD.

MARKETING PERSONNEL

J.E. Holmsted, adv/sales promo mgr, chemical & Formica products
D.E. Campbell, adv/sales promo mgr, plant food
M.A. Castagner, product mgr, pesticides & insecticides
M.S. Hodgson, product mgr, animal products
M.H. Cross, mgr mktg services, medical products

ADVERTISING AGENCIES

McLaren Advertising, Montreal—agricultural products.

Foster Advertising, Montreal—industrial and building products. C. Dunbar, acct exec.

Ronald & Reynolds, Montreal—pharmaceutical and surgical products. Jack Roberts, acct super.

PLANT FOOD DIVISION

MARKETING PERSONNEL

C.P. Schaefer, mgr-mktg

American Express Co.

	1978	1977
Sales	$4,084,500,000	$3,446,229,000
Earnings	308,000,000	262,123,000
Advertising*	62,000,000	46,000,000

*Estimated by AA

American Express Co., New York, the 64th largest national advertiser, increased its U.S. advertising 35% to an estimated $62,000,000 in 1978.

The company reported a world ad total of $126,900,000, up 51.4% from $83,800,000 in 1977.

Sales topped $4 billion in 1978, while earnings rose to $308,000,000. The revenue breakdown: Travel-related services, $933,300,000, up 25.4%; international banking services, $515,500,000, up 35.5%; insurance services, $2.56 billion, up 13.9%, and other services $10,800,000, down 48%.

American Express card revenues grew in 1978, as the number of card members increased 10.2% to 9,500,000 from 8,600,000 the previous year. Charge volume on the card rose 26%.

Also contributing to improved card revenues was the $5 increase in the U.S. card membership fee instituted in April, 1978.

- While the American Express card continued to dominate the upper income, luxury-purchase segment of the card industry, both Master Charge and Visa planned more aggressive advertising to procure more of the card business.

Some 250 financial institutions joined American Express' Gold Bank Card program in 1978, bringing the total number to 1,298, while the number of Gold Bank Card members exceeded 800,000. The gold card costs $30 annually and provides all the services of American Express as well as certain additional credit features from the issuing bank.

The company's emergency card replacement service was expanded to include more than 300 travel service offices where a lost or stolen card can be replaced within a single working day, according to American Express. Local currency cards were also made available in Hong Kong and Spain in 1978, bringing the total number of cards in all currencies to 19.

In 1978, American Express backed its card with $19,024,700 in measured media, including $4,858,300 in magazines, $9,729,100 in network tv and $4,410,000 in spot tv.

- In the same year, American Express increased measured media expenditures for its travel service to $1,297,800 from $229,700 in 1977. The travel service includes a worldwide network of travel agencies and preplanned vacation packages and tours. During 1978, retail travel service revenues, principally commissions on sales, rose 16% over 1977. The majority of these sales were made outside the U.S.

Of the travel service ad money, $773,100 or 60% into spot tv and $397,600 or 31% was spent in network tv. American Express continued its 1977 campaign for "The all around travel agent with 700 locations to help you around the world."

No. 1 in the field of travelers cheques, American Express reported $2.1 billion cheques outstanding in '78, a rise of 13% over the $1.86 billion outstanding at year's end in 1977.

Sales in the U.S. recorded their best gain since 1969, which the company attributes to increased air travel, a growing concern for security on the part of travelers and the widespread acceptance of Express Pac, a prepacked, color pack of travelers cheques in multiples of $50 to $1,000.

- During 1978, Express Pac distribution was expanded to include the entire U.S. and parts of Canada, backed by $5,000,000 in marketing support.

For travelers cheques over-all, the company spent $12,133,900 in measured media in 1978, including $8,566,000 in network tv and $3,005,300 in spot tv.

While Master Charge and Visa were readying ad and marketing strategies to enter the $10 billion travelers cheque industry sometime in 1979, American Express continued to promote its cheques with a campaign in which Karl Malden touts the benefits of getting a full refund usually on the same day, should checks be lost or stolen, and puts forth the value of travelers cheques as emergency cash for the non-traveler.

A major subsidiary of American Express is Fireman's Fund Insurance Co. The property-liability group is sixth largest in the nation. Group net income rose 23% to a record $156,800,000 in 1978.

- In 1978, property liability premiums written increased 8.8% to $2.3 billion from $2.1 billion in 1977. Life insurance in force rose 35.3% in 1978 to $3.4 billion from $2.5 billion in 1977. Life premiums written increased 30.6% to $142,800,000 from $109,300,000 in 1977.

Fireman's Fund spent $4,193,800 in measured media in 1978, almost all in network tv.

Another wholly owned subsidiary, American Express Publishing Corp., publishes *Travel & Leisure* magazine. Paid circulation increased 15% by the end of 1978, from its 1977 total of 800,000 to 920,000. The magazine also recorded a 29.6% gain in advertising. *Travel & Leisure* was backed by $40,300 in spot tv.

American Express opened 1979 with an $830,000,000 bid to take over McGraw-Hill, the nation's largest business publisher. Faced by strong opposition from M-H president Harold W. McGraw Jr., American Express let its offer expire March 1. The McGraw-Hill board ratified the move in late April when it unilaterally rejected American Express' final offer.

In July, 1979, American Express named McCann-Erickson to handle its Gold Bank Card account.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 2,527,100	$ 2,894,200
Magazines	5,456,400	4,336,300
Spot tv	8,231,000	5,098,100
Network tv	22,884,800	14,245,000
Spot radio	1,989,600	1,831,000
Network radio	417,200	—
Outdoor	24,600	78,800
Total measured	41,530,700	28,483,400
Unmeasured	20,469,300	17,516,600
Estimated total	62,000,000	46,000,000

MARKETING PERSONNEL

Card Division

Thomas K. Myers, exec vp, mktg
Joanne Black, senior vp, mktg services
Richard D. Rosenbloom, vp, adv & promo
Pierce Butler, vp, adv & promo

Travel Division

Suzan K. Couch, vp, adv & promo

Travelers Cheque Division

James T. Larkin, exec vp, mktg & sales
John A. Maslanka, vp, U.S. mktg & sales
Edward J. O'Hare, vp, mktg services & product devel
Daniel V. DeMaio, director, adv

ADVERTISING AGENCIES

Ogilvy & Mather, New York—card, travel, bank, travelers cheque services—William E. Phillips, chairman and president; Kenneth Roman, exec vp, managing director, New York; John Heston, senior vp; Robert White, Tony Brown, mgmt supers.

Cunningham & Walsh, San Francisco—Fireman's Fund—Joseph Therrien, vp, gen mgr, acct exec.

McCann-Erickson, New York—Gold Bank Card.

American Home Products Corp.

	1978	1977
Sales*	$3,276,605,000	$2,867,902,000
Earnings*	348,422,000	306,167,000
Advertising**	183,000,000	171,000,000

*Worldwide
**U.S. only; AA estimate

American Home Products, the nation's 11th largest advertiser, increased its U.S. advertising by 7% in 1978 to an estimated $183,000,000. The gain was a slight easing off of 1977's 8% pace.

Last year was AHP's 26th consecutive one for record sales and earnings, with sales surpassing $3 billion for the first time. Totaling $3,276,605,000, worldwide sales yielded a net income of $348,422,000.

Foreign sales were $1,072,800,000, a 20% increase over 1977. These represented 33% of the total volume. Foreign net income before taxes was $196,000,000, compared to $154,300,000 in 1977. Domestic sales totaled $2,203,805,000; earnings before taxes, $457,600,000.

- Prescription drugs contributed $1,284,900,000 (39%) of total sales and $378,900,000 (56%) of pretax income, which totaled $682,300,000. Household products and housewares provided $888,700,000 (27%) of total sales and $99,700,000 (15%) of pretax income.

Food products contributed $657,500,000 (20%) of total sales and $74,700,000 (11%) of pretax income. Packaged medicines provided $445,500,000 (14%) of total sales, and $100,800,000 (15%) of pretax income.

In foreign sales, prescription and packaged medicines accounted for approximately 68% of the volume; the remaining 32% consisted of foods, housewares and household products.

Domestic measured media expenditures for 1978 were $166,758,900, a 6% increase over 1977's $156,965,100. Packaged medicines received 59% of this support, $97,742,300.

Home products and housewares received $46,009,600, or 28% of the total, while food products were backed by $16,820,500 and prescription drugs by $6,186,500. Ad expenditures in all categories except food products were up over 1977.

- Domestic ad spending continued to favor network and spot tv, as AHP made a record-breaking, two-season $100,000,000 buy on NBC-TV, aimed, in part at assuring a good commercial position during the 1980 Olympics and elections.

Spot radio dollars, sharply increased over 1977, edged out network radio. In print, newspapers held about even with 1977 and farm publications received less emphasis while magazine dollars zoomed upward.

Network television received $111,136,200, a 2% increase over 1977. Spot tv jumped 9% to $38,722,200, while spot radio was up a whopping 80% to $3,855,000. Network radio was allotted $3,155,000, 14% over 1977.

Magazines were up to $7,693,400, a 30% increase, while newspaper slipped to $2,069,000, a 6% decrease. Farm publications also dropped 46%, to $128,100.

- In the packaged medicines group, spending was dominated by Whitehall Laboratories, whose budget totaled $97,696,800, up $2,696,800, or 3%, over last year. The division posted record sales, as established products maintained leading positions in many categories, and new products entered markets previously untried by AHP.

Anacin analgesic tablets received the greatest chunk of Whitehall's measured ad support, $33,906,500, a jump of $3,359,500 over 1977. This was primarily allotted to network tv, as well as to some magazine and spot tv support.

During the year, Anacin continued its fight to hold a 13% share of the $750,000,000 analgesic market. Topped by Johnson & Johnson's McNeil Laboratories' Tylenol, whose share was 20%, it led Sterling Drug's Bayer, which held 10% of the market, and Bristol Myer's Bufferin and Excedrin, which held 10% and 8%.

- In 1978, Anacin and AHP were involved in regulatory and legal actions that could have definite impact on future advertising. Ruling on a six-year-old case, the Federal Trade Commission issued an order calling for AHP to run $24,000,000

MARKETING PROFILES

in future Anacin ads with the disclosure that "Anacin is not a tension reliever."

In addition, McNeil Laboratories filed suit against AHP, alleging that the company was violating an earlier court order with a new Anacin campaign. The order had prohibited AHP from making claims about Anacin's superiority over Tylenol.

▪ Whitehall's second most advertised line was Dristan decongestant products, which received $23,061,200. Of this figure, $14,399,200 was allotted to Dristan tablets, $10,718,100 to network tv and $3,037,200 to spot tv.

Network tv also provided major support for other Dristan products. New introductions included Dristan AF, an aspirin-free remedy, with an $840,900 budget, and Viro-Med liquid.

Network and spot tv dominated the campaigns of other Whitehall products. Preparation H hemorrhoidal remedies: Total ad budget was $9,595,900, with network tv getting $5,753,000 of the total and spot tv $2,038,300.

Primatene Mist spent $6,970,800; network tv received $5,501,900 of this. Arthritis Pain Formula had support of $4,903,700, of which $3,505,200 was allotted to network tv.

▪ Anbesol received $2,904,300 and $2,022,900 went to Dry & Clear acne ointment, introduced last year. Of this figure, $1,510,700 was budgeted to spot television and $371,400 to network tv.

Sleep-Eze received $1,203,300, with $954,600 going to network tv. Of Compound W's $1,919,500, $1,391,300 went to network tv. This medium also received $1,277,400 of Denorex's $1,389,100, while spot tv was allotted $629,000 of Heet's total $1,122,700 campaign.

In 1978, Whitehall entered the $500,000,000 U.S. contraceptive market, with tests of Semicid contraceptive suppository. Tests were begun on Predictor, a pregnancy test kit. Budgets for the two products were $105,300 and $188,900.

AHP's second largest advertiser, with a budget of $46,009,600, was the household products and housewares group, including Boyle-Midway household items, Ekco Housewares, Ekco Products, Dupli-Color Products and the Prestige Group.

▪ Boyle-Midway was supported by $43,443,300 in advertising expenditures, $5,728,000, or 5%, over 1977. Woolite, the division sales leader, was again the No. 1 recipient of ad support, with a $14,635,100 allotment. Of this figure, Woolite Liquid and Powder Cold Water Wash received $9,853,000, primarily in network and spot tv.

Easy Off oven and window cleaners were budgeted at $6,458,200, and network tv was the major recipient. The PAM line of dry fry cooking sprays maintained its 1977 expenditures of slightly over $6,000,000, while Black Flag insecticides received support of $4,020,400.

Sani-Flush toilet cleaner products were backed by $2,923,800, primarily in network tv, and Wizard air fresheners went up to $3,510,000, a doubling of 1977 expenditures. Old English furniture polish also received support of $1,702,600.

Ekco, which posted record sales in 1978 had an ad budget of $2,363,100. Network tv received $1,134,800 of the total for promotion of kitchen tools, cutlery and cookware, which expanded to include two new lines—one stainless steel, the other aluminum. Ekco Slaymaker lock line's allotment of $195,300 was all in network tv.

The AHP food products group had a budget of $16,820,500, down $587,700 from last year's record-breaking support.

American Home Foods' Chef-Boy-ar-dee ad spending was $11,711,000, mostly in network tv. New products introduced included three types of pizza in a skillet and two pizza sauces.

The Brach candy division had record sales, boosted by special holiday and bulk candy promotions. Its budget was $2,795,800. Brach's also put $448,800 behind Candydent sugarless candy in test market.

▪ As in 1977, the prescription group led the company in sales and earnings, but received the smallest measured ad budget, due to the technical nature of its market outlets and legislative restrictions.

Wyeth Laboratories worldwide pharmaceutical sales reached an all-time high, and its Ovral retained the leadership as the most frequently prescribed oral contraceptive. New product introductions included the antibiotics Wymox and Wyamycin, and Simeco, a new antacid.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,069,000	$2,210,400
Magazines	7,693,400	5,928,600
Farm publications .	128,100	236,100
Spot tv	38,722,200	35,250,000
Network tv	111,136,200	108,428,700
Spot radio	3,855,000	2,145,000
Network radio	3,155,000	2,765,800
Total measured ..	166,758,900	156,965,100
Unmeasured......	16,241,100	14,034,900
Estimated total ...	183,000,000	171,000,000

CORPORATE MARKETING PERSONNEL

William F. Laporte, chairman
John W. Culligan, president
Marvin E. Schmalzried, senior vp
John R. Stafford, senior vp
George DeMott, vp
John Horsman, vp
Arnold Thaler, vp
Ernest Harper, vp

WHITEHALL LABORATORIES

New York

MARKETING PERSONNEL

Stanley F. Barshay, president
G. Prince, vp-mktg
W. Tauriello, vp-new product devel
Steven Kubinski, adv director

ADVERTISING AGENCIES

Hicks & Greist, New York—Dristan capsules, Preparation H cleansing pads, Sleep-Eze—Bill Roper, mgmt super; Ken Silvers, acct super.

Rosenfeld, Sirowitz & Lawson, New York—Freezone, Infra-Rub, Semicid—Mal Minor, mgmt super.

William Esty Co., New York—Anacin-3, Anbesol, Compound W, Dristan tablets, Aspirin Free Dristan tablets, Momentum, Quiet World, Viro-Med—Art Albrecht, mgmt super; Edgar Peck, Richard Burns, Sidney Lawrence, acct supers.

John F. Murray Advertising, New York—Anacin, Oxipor, Preparation H, Sudden Beauty Facial, Trendar—Paul Kilbane, Jack Bernhardt, mgmt supers; Gwen Neff, Jim Harragan, acct supers.

C.T. Clyne Co., New York—Arthritis Pain Formula, Denalen denture cleanser, Bisodol, Dry & Clear, Outgro, Broniton for Asthma, Denorex medicated shampoo, Dristan Long Lasting Nasal Mist & Vapor Spray, Heet, Neet, Primatene—Jack Rothenberger, Sam Spito, Shelly Holzer, mgmt supers; Eliot Reskin, Ralph Hirsch, James Caldwell, Alan Yarnoff, Dermod Sullivan, acct supers.

FRANKLIN LABORATORIES

Denver

John D. Baker, vp-mktg

ADVERTISING AGENCY

Frye-Sills, Denver—Gib Frye, mgmt super.

AMERICAN HOME FOODS

New York

MARKETING PERSONNEL

D. P. Jaicks, president
Karl Becker-vp, product mgr
W.E. Kratzke, adv director

ADVERTISING AGENCIES

Young & Rubicam, New York—Chef Boy-ar-dee, Dennison's—Matt Crisci, mgmt super; D. Gamanos, V. Calenda, W. Brown, T. Pyne, acct execs.

Cunningham & Walsh, New York—Gulden's mustard; G. Washington's seasoning and broth, Jiffy popcorn, Franklin nuts, Crunch N Munch popcorn, Luck's Food—Warren Albright, mgmt super; Walter Hagstrom, Edward Chima, acct execs.

E.J. BRACH & SONS

Chicago

MARKETING PERSONNEL

Ned E. Mitchell, president
R.B. Hecklau, senior vp, mktg & sales
Richard G. Secrist, vp-mktg
S.R. Thompson, vp-natl sales mgr
Robert C. Wells, vp-special accts & trade relations
Robert J. Urban, new product mgr

ADVERTISING AGENCY

Arthur Meyerhoff Associates, Chicago—Harry Ellsworth, acct super.

BOYLE-MIDWAY

New York

MARKETING PERSONNEL

John Boone, president
Bill Hiscott, vp-mktg
Neill Myers, Joe Palminteri, Jim Neary, group product mgrs
Ken Lagana, adv mgr

ADVERTISING AGENCIES

Cunningham & Walsh, New York—Antrol, Depend-O, Diaper Pure, HR2 rug shampoo, Snarol, Wizard charcoal lighter, Woolite, Woolite rug cleaner—Nat Allen, acct super.

C.T. Clyne Co., New York—Sani-Flush, Griffin shoe polish, Black Flag, Easy Off, Wizard deodorizer—Henry Kornhauser, president; Ron Herlihy, Bob Carmody, acct supers.

Arthur Meyerhoff Associates, Chicago—PAM, Aero-Shave, Quick Dip—Bob Pingrey, mgmt super.

John F. Murray Advertising, New York—Aerowax, Easy-Off window cleaner, Sani-Flush In-a-Tank—Paul Kilbane, mgmt super; Dave Pickett, senior acct exec; Maureen Howard, acct exec.

Hicks & Greist, New York—Noxon, Zud, 3-in-One Oil, Plastic Wood, Easy On starch, Old English polishes, Golden Touch—Bill Roper, mgmt super; Ken Silvers, acct super.

DUPLI-COLOR PRODUCTS

Elk Grove Village, Ill.

MARKETING PERSONNEL

W.V. Dunlop, president
R.R. Miller, vp-sales
Fred Freiden, vp-mktg

ADVERTISING AGENCY

Jack Levy & Associates, New York—Allan Lieberman, acct exec.

EKCO HOUSEWARES CO.

Chicago

MARKETING PERSONNEL

J.K. Duncan, president
Don Jacobs, vp, mktg, sales & pr
Jack Theobold, adv mgr
Mike Sobo, mktg mgr-supermarket lines
Thomas Walton, mktg mgr-dept & hardware lines

ADVERTISING AGENCY

Albert Jay Rosenthal & Co., Chicago—Richard Emory, acct super.

EKCO PRODUCTS

Chicago

MARKETING PERSONNEL

Packaging Group

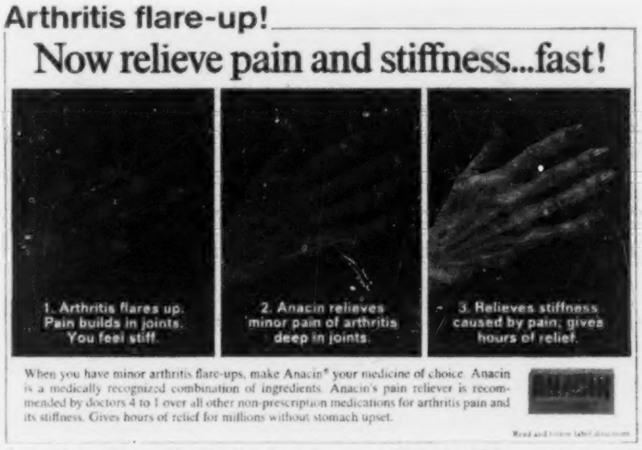
Lou Schumm, president
Ed Heiser, vp-mktg & Sales

GLACO Group

William Campion, president
J. Morris, vp-sales & mktg
Jan Schuh, adv mgr

ADVERTISING AGENCIES

Jaqua, Grand Rapids, Mich.—packaging group—David Friend, acct super.



Arthritis flare-up!
Now relieve pain and stiffness...fast!
1. Arthritis flares up. Pain builds in joints. You feel stiff.
2. Anacin relieves minor pain of arthritis deep in joints.
3. Relieves stiffness caused by pain; gives hours of relief.
ANACIN

When you have minor arthritis flare-ups, make Anacin® your medicine of choice. Anacin is a medically recognized combination of ingredients. Anacin's pain reliever is recommended by doctors 4 to 1 over all other non-prescription medications for arthritis pain and its stiffness. Gives hours of relief for millions without stomach upset.

American Home Products' Anacin spent $33,000,000 to hold onto its 13% share of the analgesic market. Most of the money was spent in network tv.

REGULAR
PREMIUM
UNLEADED
HONDA
We make it simple.

Gasoline made simple.

A lot of the new cars tend to be choosy when it comes to fuel. Most of them have catalytic converters, which means they are designed to accept nothing but unleaded gas.

Hondas are different. All our new cars—the Civic 1200, the Civic CVCC, and the Honda Accord—operate without a catalytic converter. So you can take your pick of regular or unleaded gasoline. As for premium, there is no benefit and it's a waste of money.

Of course, whichever gas you use, you can go a long way on it in a Honda. Our best mileage car, the Civic CVCC 5-Speed, was rated at 47 mpg for highway driving, 37 mpg city, according to EPA estimates.

Our lowest EPA mileage estimate was received by the Civic 1200 with 2-speed manually-selected Hondamatic transmission: 30 mpg highway, 25 mpg city. All estimates are lower for California and high altitude areas. Also, the Civic 1200 is not available in California or in high altitude areas.

Although we're happy to tell you about our 1978 EPA mileage figures, we want to be realistic about them. So please keep in mind that EPA estimates are the result of laboratory tests and are offered only as a means of comparison.

Therefore, your mileage will vary depending on such things as where you drive, how you drive, your car's condition, and optional equipment.

Still and all, a Honda makes the neighborhood service station a nice place to visit. You get your choice of gas pumps when you drive in. And very good mileage after you drive out.

Now, how could we make gasoline any simpler than that?

Playing on high-priced gasoline, American Honda emphasizes ability of its cars to use regular or unleaded gasoline.

Mills, Fife & MacDonald, Des Plaines, Ill.—GLACO—William H. Fife Jr., acct super.

AYERST LABORATORIES

MARKETING PERSONNEL

W.L. Davis, president
A. Somm, senior vp-mktg
Whit Jensen, vp-mktg services
G. Cerritelli, director of sales

ADVERTISING AGENCIES

Rolf Werner Rosenthal, New York—Diucardin, Kerodex, Gristactin, Inderel, Plegine—Herb Messenger, acct super.

Sudler & Hennessey, New York—Antabuse, Fluothane, Gristactin, Inderal, Inderide, Kerodex, Phospholine Iodide, Plegine, Premarin—Bob Botto, mgmt super.

Klemtner Advertising, New York—Atromid-S., Riopan, Riopin Plus, Thiosulfil, Mysoline—Jay Conlon, acct super.

WYETH LABORATORIES

Radnor, Pa.

MARKETING PERSONNEL

Richard Bogash, president
Lee J. Hymel, vp-mktg
Charles H. Brantley, asst vp-mktg
John Spitznagle, asst vp-mktg

ADVERTISING AGENCIES

William Douglas McAdams—New York—Ovral, Lo-Ovral, Phenergan, Tubex.

Kallir, Philips, Ross—New York—Ativan, SMA, Nursoy, Collyrium.

IVES LABORATORIES

Great Valley, Pa.

MARKETING PERSONNEL

Sidney Elston, president
Joseph Faherty, vp-administration
Herbert Loewnkron, senior vp, mktg
Paul Fladd, adv mgr

ADVERTISING AGENCIES

Robert A. Becker Inc., New York—Isordil—Raymond Perry, acct super.

Frank J. Corbett Inc., New York—Synalgos DC, Cyclospasmal—Henry Townsend, acct super.

FORT DODGE LABORATORIES

Fort Dodge, Ia.

MARKETING PERSONNEL

Thomas W. Freege, president
O.W. Whitcomb, vp-director of mktg
W.E. Ryan, director of adv

ADVERTISING AGENCY

Sander Allen Inc., Chicago—Cecil Barger, acct super.

American Honda Motor Co.

	1978	1977
Sales	$1,639,000,000	$1,201,959,784
Earnings ...	26,374,000	35,338,790
Advertising* ...	35,000,000	23,574,500

*Estimated by AA.

American Honda Motor Co., Gardena, Cal., the 88th largest national advertiser, is a wholly owned subsidiary of the Japanese-based company, Honda Motor Co. Ltd.

The U.S. unit increased its ad spending by 48% in 1978, to an estimated $35,000,000. The spurt was fueled by increases in magazine and network tv spending.

The company, which markets Honda cars and motorcycles and a line of consumer power products, showed a 36% gain in sales in 1978, a year in which consumer demand outstripped supply of Honda Civics, Accords and the newly introduced Prelude.

American Honda put 56% of its $18,464,561 auto ad budget, coordinated by Needham, Harper & Steers, Los Angeles, into network tv, with 42% in consumer and enthusiast magazines.

Although advertising seemed the least of Honda's concerns because of the strong demand during 1978, the company identified the tight supply situation as a temporary one and continued the advertising campaign introduced in 1978 that paves the way for future years.

The ad theme, "We make it simple," positioned Honda as more dependable and sensible than its small car competitors without saying so.

Availability problems for all Honda cars, particularly the Accord and the newly introduced Prelude sports coupe, continued through 1979. Honda kept a lid on its U.S. dealer network (there are 716) to counteract this problem.

Introduced in April, 1979, the Prelude sports coupe is being positioned as the "sports car for grownups" in network tv spots and ads in consumer and enthusiast magazines. The Prelude is priced around $6,500.

▪ Apparently foreseeing a strong future, American Honda began construction of a $250,000,000 plant in Ohio. The plant will manufacture only motorcycles initially, but indications are that it will eventually be used for the manufacture of Civics.

American Honda holds 40% of the motorcycle market, making it the industry leader in this product category. In late 1978, the company unveiled a new 36-unit 1979 line of motorcycles, featuring an entirely new 750cc Road Bike line-up. The new CB-750 line features double overhead cam engines and new styling.

Honda also introduced a new line of special custom styled units in the 500 and 400cc range. Honda believes the new bikes feature dramatic looks and offer customers a new macho image.

The new line was backed with a $10,000,000 tv and cycle enthusiast print campaign through Grey Advertising, Los Angeles. Ads carried the theme, "Honda, going strong." The campaign theme was an extension of 1977's effort, emphasizing sophistication of technology in the Honda motorcycle product.

▪ In early June, 1979, the Honda motorcycle account was switched to Dailey & Associates, Los Angeles. A tv and enthusiast magazine ad campaign is being planned for fall 1979 that will use a new "Honda, follow the leader" ad slogan.

Honda's line of power products, which includes a tiller, outboard motor, several generators, and a newly introduced lawn mower also handled by Grey, was backed with consumer and trade print campaigns with various themes. The power products division recently was also assigned to Dailey & Associates.

In early 1979, American Honda introduced the new lawn mower that stops its own blade seconds after the operator releases the mower's handle. The innovation gives Honda a jump on the rest of the industry which must have similar blade brakes to meet federal safety standards by 1982.

The new lawn mower (available in four models) retails from $344 to $444 and is distributed through the company's newly formed lawn and garden dealer network. "It took Honda to build a lawn mower this advanced" is the ad theme.

North America continues to be the biggest overseas market for two-wheeled vehicles for Honda Ltd. Although North America's share of the total overseas sales declined, the U.S. still accounted for 50% of the company's total overseas sales.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,474,100	$1,458,400
Magazines	10,135,400	6,584,300
Spot tv	1,121,200	1,372,800
Network tv	16,724,900	10,221,000
Spot radio	1,043,100	927,000
Network radio	—	—
Outdoor	5,500	11,000
Total measured ..	31,504,200	20,574,500
Unmeasured	3,495,800	3,000,000
Estimated total ...	35,000,000	23,574,500

MARKETING PERSONNEL

K. Yoshizawa, president
S. Tanaka, vp, motorcycle div
J. Haight, adv mgr, automobile div
B.W. Pulskamp, adv mgr, motorcycle div

ADVERTISING AGENCIES

Needham, Harper & Steers, Los Angeles—William Hagelstein, acct super, autos.

Dailey & Associates, Los Angeles—Jack Redmond, senior acct super, motorcycles; Bill Moreland, senior acct super, power products.

American Motors Corp.

	1978	1977
Sales	$2,585,428,000	$2,236,896,000
Earnings ...	36,690,000	8,266,000
Advertising*	43,444,500	31,486,900

***Estimated by AA**

American Motors Corp., Southfield, Mich., the 78th largest national advertiser, staged a modest comeback in 1978. Advertising cuts were restored, earnings quadrupled and dollar sales kept pace with inflation.

Advertising outlays of $43,444,500 were up 38% over 1977 when they were slashed to $31,486,900 from $38,535,400 in 1976. But the big marketing news came when AMC and Renault, the French automaker, made it legal in early 1959 with the signing of an "arrangement" for AMC to sell Renault cars in the U.S. and eventually make them here. Renault got European rights to Jeep as well as access to the U.S. AMC sales outlets.

AMC also continued its revamp of its marketing staff, landing two top marketers from General Motors as well as a new president with marketing expertise. A new ad agency, Grey Advertising, New York, took over in March, 1978.

■ AMC boosted its earnings to $36,690,000 from $8,266,000 on sales of $2.5 billion, up from $2.2 billion. The earnings increase was attributed to consolidation of passenger car production and record Jeep vehicle sales of 180,667 worldwide compared with 153,485 the year before. Passenger car sales continued as a soft spot, falling to 214,537 worldwide from 227,365.

Total auto sales, including Jeep rose 20% to $2.2 billion and earnings were $38,800,000, up from a loss of $1,200,000 in 1977. AM General Corp., a subsidiary which makes trucks, postal service vehicles and transit buses turned in a loss of $5,200,000 against 1977 profits of $6,800,000 on sales that slumped to $248,000,000 from $377,000,000.

The results suffered from AM General getting out of the standard transit bus business and by a delay in government and international contracts for military trucks, the company said.

Only the Concord, nee Hornet, born again as a luxury compact, made much of an impression with U.S. buyers. It nearly doubled its sales from 79,508 in 1977 to 114,764 as the best-selling AMC car. Jeep led all AMC marques with 161,912 units, up from 115,079.

■ When AMC and Renault said "oui," it gave AMC a sorely-needed front-wheel-drive subcompact for the mpg wars—the Renault Le Car. But for most of 1978, AMC and Renault went their separate marketing ways until the formal agreement in early 1979.

Renault's ad budget for 1978 was estimated at $5,000,000. AMC started to set up its dealers with Le Car and chairman Gerald C. Meyers said AMC will sell the new Renault 18 sedan and station wagon in 1980.

AMC will manufacture a new series of cars in 1982. The new Renault cars give AMC the advanced technology it can't afford on its own and Renault gets its cars into 2,300 AMC dealers. It had 400 of its own, many of them dualed with other makers.

AMC started marketing the imports in March, 1979, with the only change a more prominent use of the Renault name. Renault's agency, Marsteller Inc., New York, stayed on board.

■ AMC chairman Meyers sees the Renault deal as attacking AMC's "basic problem, our relative size in a big industry where bigness is becoming even more vital as time goes on. In the world auto market of the future, the successful companies will be those with deep resources, world marketing muscle and solid technical strength.

"Passenger car sales right now aren't good. Despite all our efforts and all of our programs, we have not been able to get up any steam this year. But we have new ideas and products coming that should assist car sales soon," Mr. Meyers said.

These include a new line of four-wheel-drive cars called Eagle for model year 1980. The Renault accord means AMC has "leapfrogged 10 years and maybe $2 billion with the stroke of a pen," Mr. Meyers said.

There was one marketing effort that did generate somes sales steam. The Concord was introduced as a 1978 luxury model and the year also saw the bow of the 1979 Spirit. Like the Concord, the Spirit is a skillfull reshaping of an older model, this time the venerable Gremlin.

The intermediate line of Matador cars and wagons was dropped for model 1979. The strategy behind both Concord and Spirit is that buyers want more luxury in their small cars. "The 1979 AMC cars focus on this fact," the company said. "They are aimed at those customers who want products with quietness and comfort. Advertising stresses their appeal to buyers who want more than basic transportation."

■ This gave birth to "The luxury Americans want, the size Americans need," campaign for the 1979 models. Pacer, the egg-shape subcompact with the weight problem, became a "unique blend of mid-size room, ride and handling in an efficiently sized car."

Gremlin, the future Spirit, along with Pacer was pitched at the women's market and the doomed Matador got nary an ad dollar.

The Jeep line got a record ad outlay, with 64% of that in network tv with the line "Jeep wrote the book on four-wheel-drive." Entries included the bread-and-butter CJ left alone as the smallest four-wheel-drive vehicle by a U.S. manufacturer.

Cherokee, a bigger model, was shown as a family model that would go off-road and the Wagoneer, a station wagon, was called the "ultimate in four-wheel-drive."

AMC had a new media approach, away from the national, network scene to local markets and spot tv. Indeed, spot tv expenditures doubled from $5,310,800 to $11,253,900, while network tv was up a bit to $17,932,500 from $14,913,200.

Magazines showed a sizable increase to $5,814,600 from $3,555,200, while newspapers were up a bit to $7,666,900 from $7,107,000. Spending in spot radio went to $758,100 from $397,000.

■ When it came time for the 1979 Spirit to debut, AMC said it would put more emotion into the ads because prospects were "sensitive about the kind of car they drive—it's not just a piece of transportation."

The introductory emotion turned to price sensitivity in December in the face of lower than anticipated sales. AMC cut the price of the Spirit by $200 and in the new year "took the gloves off" against Ford and Chevrolet in a series of comparison ads.

The newspaper campaign said the Spirit with its price reduction was only $5 more than a Chevette, "The best $5 buy in America." Standard equipment was compared against standard equipment.

AMC also revived (again) its Buyer Protection Plan, a 12-month warranty, and in the spring of 1979 added a rust warranty.

Things got so bad with passenger car sales that AMC stopped reporting them every 10 days. It had wanted to include Jeep figures lumped together but trade publications said that wouldn't be accurate. AMC started reporting monthly. One of the things AMC didn't want to point out every 10 days was a share of the car market that fell to 1.2% from 3.8% in 1974.

Jeep sales, strong throughout 1978, faltered with the spring, 1979, fuel crunch when buyers turned away from the thirsty four-wheel-drive vehicles. AMC's fuel economy plans for cars underwent a slight change when it decided to save the capital expenditures needed to make its own four banger and signed an agreement to buy the 2.5 liter engine made by General Motors.

■ That wasn't the only thing AMC got from GM. It lured Thomas A. Staudt from Chevrolet where he had been director of marketing. Mr. Staudt became vp of the marketing group, succeeding Dale E. Dawkins who became vp-product group. Mr. Staudt joined David J. Van Peursem who left Oldsmobile where he was director of marketing to become AMC's general manager of marketing, a new post.

Raymond Avedian moved from BBDO, Detroit, to passenger car ad manager, a post left vacant when Robert Lepre joined MCA Graham, New York.

Roy D. Chapin Jr. stepped down as chairman after 40 years in the business. Mr. Meyers moved up from president to succeed Mr. Chapin who had combined deft dealings with financial institutions (always important at AMC) with marketing flair.

■ The top management marketing slot was taken over by W. Paul Tippett Jr. who was president of STP Corp., director of sales and marketing for Ford of Europe and most recently exec vp in charge of Singer's Sewing Products Group.

Nonautomotive subsidiaries had record sales in 1978. Sales rose to $71,900,000 from $68,200,000 for Wheel Horse Products, garden tractors and lawn mowers; Mercury Plastics, maker of injection-molded parts, and Windsor Plastics, which makes nonautomotive plastics.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$7,666,900	$7,107,000
Magazines	5,814,600	3,555,200
Spot tv	11,253,900	5,310,800
Network tv	17,932,500	14,913,200
Network radio	—	84,000
Spot radio	758,100	397,000
Outdoor	18,500	122,700
Total measured ..	43,444,500	31,486,900

MARKETING PERSONNEL

Thomas A. Staudt, vp-mktg group
David J. Van Peursem, genl mktg mgr
Eugene L. Richmond, director, adv
J.L. Cherfoli, director, merch and sales promo
Ray Avedian, pass car adv mgr
Robert Wheat, Jeep adv mgr
Hull Ouarrier, mgr of natl media
R. Schwartz, genl mgr, U.S. sales
Mark Obert, director of mktg, AM General

ADVERTISING AGENCIES

Grey Advertising, New York—Robert L. Berenson, exec vp/mgmt rep; Bruce S. Wagner, sr vp/mgmt super, Southfield; Michael Clancy, vp/mgmt super, New York.

Compton Advertising, New York—Jeep commercial vehicles—R.M. Mumma, exec vp/mgmt super; R.D. Scott, vp/acct super, Southfield; Ken A. Glowacki, acct exec, Southfield.

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Gremlin/Spirit	24,412	37,531
Concord	114,764	79,508
Matador	9,471	22,041
Pacer	20,811	44,874
AMX	1,281	407
Jeep	161,912	115,079
Total	332,651	294,438

Reach out.
Reach out and touch someone.
Bell System

American Telephone & Telegraph Co. has budgeted about $30,000,000 for its "Reach out" campaign for 1979.

American Telephone Telegraph Co.

	1978	1977
Sales	$40,933,356,000	$36,431,188,000
Earnings ...	5,109,203,000	4,296,589,000
Advertising	172,822,100	131,968,200

American Telephone & Telegraph Co., New York, the world's largest corporation, increased its advertising 35% to $172,822,100 in 1978 to become the 13th largest national advertiser.

The total includes ad spending by AT&T and its principal telephone subsidiaries, but excludes minor-held Southern New England Telephone and Cincinnati Bell.

It was a record year for sales, earnings, dividends and capital expenditures. Sales were up more than 10% to almost $41 billion, while earnings topped $5 billion.

Long distance calling increased by 12.6%. Overseas calls continued to grow by about 27%, with customers in nearly 900 cities able to dial direct to 47 countries.

At year's end, Bell System phones in service totalled some 133,000,000 or 5,000,000 more than in 1977.

About $3.2 billion, or 23% of record capital expenditures of $13.7 billion, went into modernization projects. Bell installed 365 local electronic switching systems during the year. About 30% of Bell System telephones, close to 40,000,000, are served by some 1,700 local electronic switching offices.

Bell moved ahead with the installation of its latest "super switchers" for long distance calls. Nine of these high-speed, high-capacity digital switchers were added in 1978. There are now 21 in the nation, including one operated by the General Telephone Co. of Florida.

Western Electric, AT&T's manufacturing arm, began producing a commercial lightwave system this year. In 1980, it will be installed in the Atlanta metropolitan area, linking two local central offices and a long distance switching center.

A Bell Laboratories development, called Advanced Mobile Phone Service, was tested in the Chicago area during 1978. AMPS uses a set of contiguous geographic "cells," each equipped with an assigned set of frequencies, and a base station for transmitting and receiving calls.

Callers leave a cell and move on to another without any effect upon the call in pogress. As they do, the frequencies they were using are freed for other callers. The new system will make mobile service more widely available.

■ The trial of single sideband microwave radio, a technique that more than triples the capacity of existing microwave transmission systems with the addition of only a minimal amount of new equipment, was conducted successfully last year by Bell Labs, AT&T Long Lines and Western Electric. The 29-mile microwave route linked Ashburnham and Wendell, Mass.

In 1978, AT&T restructured its organization to match the markets it serves. It grouped its operating and marketing activities into three major areas: Business, Residence and Network. Each unit is headed by an exec vp.

Four large business organizations began using the Bell System's new Enhanced Private Switched Communications Service, enabling customers to monitor their own networks.

A new service for business customers with less complex requirements is Electronic Tandem Switching (ETS), featuring automatic route selection which chooses the most economical path among the various services that a business may have. For smaller businesses having up to 80 lines, Bell introduced the Horizon system, offering features formerly only available to larger customers.

■ In 1978, the Bell System received approval from the Federal Communications Commission to expand its DATAPHONE Digital Data Service (DDS), offering private line digital transmission with speeds up to 1.5 megabits per second, to serve 96 cities. During the year, 24 cities were added to the DDS network, for a total of 48 cities at the end of 1978.

Today's residence customers can choose from 22 styles of phones, including three new Design Line versions introduced in 1978: The Noteworthy phone set, a compact wall unit that incorporates a telephone, slate or cork message board and a compartment for storing a phone book; the Telstar phone, a desk set of contemporary design, the Snoopy & Woodstock Phone, in the tradition of the Mickey Mouse phone.

■ A new public telephone service, called Charge-A-Call, was introduced in 1978. Requiring no coins it is designed for customers who intend to make collect, credit card or charge-to-a-third-party calls.

The Justice Department continued to press its antitrust action against the Bell System, whereby it seeks dismemberment of Bell's integrated structure. In particular, it seeks the divestiture of Western Electric, some or all of the operating phone companies and the possible separation of other parts of the Bell System.

In a "statement of contention and proof" filed by Bell early this year by order of U.S. Federal District Judge Harold H. Greene, AT&T told the court that any objective judgment of its structure under regulation will confirm that their conduct has been reasonable and not in violation of antitrust laws.

The FCC continued its investigation, known as the Second Computer Inquiry, to determine the scope of data communications services, which common carriers, such as AT&T, provide under regulation, as distinguished from data processing services, which the FCC said it will not regulate.

On Jan. 31, 1979, chairman-ceo John D. deButts retired after 42 years with the Bell System, including seven years as chairman. Charles L. Brown, president, succeeded him, while William M. Ellinghaus, vice-chairman, assumed Mr. Brown's duties.

▪ The company spent $12,600,000 for residence advertising in 1978. The largest share of AT&T's measured advertising spending was devoted to long distance calling (more than $18,500,000), with network tv and print used to convey the message that "long distance is the next best thing to being there."

"Reach out and touch someone" is the focus of long distance advertising in 1979, with the entire system using elements nationally and locally. The theme is sung in six radio spots by Ray Charles, Roberta Flack, Tammy Wynette, Paul Williams, Jose Feliciano and Phoebe Snow. AT&T has budgeted about $30,000,000 for the "Reach Out" campaign for 1979.

Among the 23 individual Bell System affiliated companies, several had measured advertising spending in excess of $1,000,000: Southwestern Bell ($5,288,300), Chesapeake & Potomac ($4,044,700), New York Telephone ($2,516,400), Pacific Telephone & Telegraph ($2,153,600), Illinois Bell ($2,024,200), Ohio Bell ($1,910,500), Bell of Pennsylvania ($1,782,500), New England Telephone & Telegraph ($1,472,500), Southern Bell ($1,452,200), Mountain Bell ($1,040,900).

Measured spending for national Yellow Pages totaled $10,220,100, almost all in tv. Western Electric general promotion accounted for $4,621,000 in network tv and magazines.

ADVERTISING EXPENDITURES*

	1978	1977
Newspapers	$12,090,300	$9,966,500
Magazines	16,742,500	10,459,100
Spot tv	33,148,700	28,276,700
Network tv	41,203,400	28,963,100
Spot radio	4,800,000	4,800,000
Network radio	1,633,800	14,100
Outdoor	523,600	740,700
Total measured	110,142,300	83,220,200
Unmeasured	62,679,800	48,748,000
Estimated total	172,822,100	131,968,200

***From AA's usual sources.**

ADVERTISING EXPENDITURES**

	1978	1977
Periodicals	$42,181,300	32,140,400
Television	78,607,700	60,900,200
Radio	18,509,300	11,264,500
Other (exhibits, displays, etc.)	29,873,300	27,663,100
Total	172,822,100	131,968,200

****Figures provided by AT&T**

CORPORATE ADVERTISING PERSONNEL

J.A. Howland, asst vp-adv
D. E. Hutchins, adv director-rsch/public service
K. W. Weihe, adv director business mkts
W. J. Hindman Jr., adv director-informative

ADVERTISING AGENCIES

N W Ayer ABH International, New York (except ethnic markets and Yellow Pages)—Robert Catlin, mgmt super; Roy Robinson, vp; Harkness Cram, vp; Howard Tobias, vp; John Moore, group acct super;

Cunningham & Walsh, New York—Carl Nichols, chairman; Nat Allen, mgmt super; William Morley, acct super.

Uniworld Group, New York—B.E. Lewis, president; Wally Caldwell, senior vp/mgmt super; Tillman deGraphenreed, acct rep.

Long Lines Department

K. M. Armstrong, adv director

ADVERTISING AGENCY

N W Ayer ABH International, New York—all services—George Eversman, mgmt super; F. K. McClafferty, vp; Howard Davis, vp; Lamar LeMonte, vp.

WESTERN ELECTRIC CO.

J. F. Rhame Jr., director, adv
J. G. Blake, mgr

ADVERTISING AGENCY

Foote, Cone & Belding, New York—all services—Mike Hoynes, mgmt super; Marilyn Fidler, acct super.

BELL TELEPHONE LABORATORIES

John Gregory, director, technical information & adv
W. J. Bucci, head/adv

ADVERTISING AGENCY

Aitkin-Kynett, Philadelphia—George Barnard, mgmt super; William Cass, acct super.

NEW ENGLAND TELEPHONE & TELEGRAPH

B. B. Sullivan, genl adv mgr

ADVERTISING AGENCY

Harold Cabot & Co., Boston—Yellow Pages, John Osborne, acct exec; all other, W. H. Monaghan, exec vp.

SOUTHERN NEW ENGLAND TELEPHONE CO.

Jean M. Handley, vp
J.W. Gamsby, div staff mgr

ADVERTISING AGENCY

Mintz & Hoke, Avon, Conn.—all services—William Pratt, acct super-business; Alan Mintz, acct super.

NEW JERSEY BELL TELEPHONE CO.

J. D. Simpson, div staff mgr, adv

ADVERTISING AGENCY

Bozell & Jacobs, Union, N.J.—all services—Ronald Vrba, senior vp.

NEW YORK TELEPHONE CO.

E. Westfall, asst vp, adv
T. Hayes, adv mgr, sales
John Shea, adv mgr, infor

ADVERTISING AGENCIES

Young & Rubicam, New York—G. T. Andrews, acct super; J. E. Zimmerman, Paul Holihan, acct supers.

Wunderman, Ricotta & Kline, New York—mass announcement services—Tom Daly, acct exec.

Conill Advertising Agency, New York—Spanish market—Rafael Conill, president.

BELL TELEPHONE CO. OF PENNSYLVANIA

T. Snowe, asst vp
R. S. Hoffsis, genl pr super-adv

ADVERTISING AGENCY

Lewis & Gilman, Philadelphia—all services for Bell of Pennsylvania and Diamond State Telephone Co.—George Gunn, mgmt super; Ray Hunter, Dan Nagle, acct supers; Gail Zimmerman, Anthony Evans, Ed Davis, acct execs.

CHESAPEAKE & POTOMAC TELEPHONE COS.

J. H. Zahn, vp
T. F. Lowe, asst vp-adv, pr
R. E. Harman, div staff mgr

ADVERTISING AGENCY

Ketchum, MacLeod & Grove, Rockville, Md.—all services—William Harrington, vp; George Bahl, acct mgr.

SOUTH CENTRAL BELL TELEPHONE CO.

ADVERTISING AGENCIES

Luckie & Forney, Birmingham—all services—Frank Lee, president.

Godwin Advertising, Jackson, Miss.—media services in Mississippi—John Fontaine, president.

SOUTHERN BELL TELEPHONE

M. T. Brandt, div mgr, adv

ADVERTISING AGENCY

Tucker Wayne & Co., Atlanta—all services—Sidney Smith, acct super.

MICHIGAN BELL TELEPHONE CO.

D. J. Gillard, asst vp
D. A. White, genl adv mgr

ADVERTISING AGENCY

Ross Roy Inc., Detroit—all services—R. L. Simmons, acct super.

OHIO BELL TELEPHONE CO.

J. L. Hanna, asst vp, adv & community relations
J. R. Flynn, div mgr, adv

ADVERTISING AGENCY

Marschalk Co., Cleveland—all media—T.R. Driscoll, vp-acct super.

CINCINNATI BELL TELEPHONE CO.

J. J. Gannon, vp
R. R. Brill, adv mgr

ADVERTISING AGENCY

Fahlgren & Ferriss, Cincinnati—all services—John Burpee, acct super.

WISCONSIN TELEPHONE CO.

C. Dickson, vp

ADVERTISING AGENCY

Cramer-Krasselt Co., Milwaukee—all services—William Faude, acct super.

SOUTHWESTERN BELL TELEPHONE CO.

L. Alexander, adv mgr

ADVERTISING AGENCIES

Gardner Advertising Co., St. Louis—Ray Ward, mgmt super.

D'Arcy-MacManus & Masius, St. Louis—Clifford Day, acct super.

INDIANA BELL TELEPHONE CO.

J. D. Mitchell, adv mgr

ADVERTISING AGENCY

Handley & Miller, Indianapolis—all services—David Scott, acct exec.

ILLINOIS BELL TELEPHONE CO.

R. B. Markham, vp
R. E. Campbell, adv mgr

ADVERTISING AGENCY

N W Ayer ABH International, Chicago—all services—Jim Titus, vp-acct super.

NORTHWESTERN BELL TELEPHONE CO.

R. G. Keim, asst vp, adv

ADVERTISING AGENCIES

Bozell & Jacobs, Minneapolis—all services—Kent, Dial, acct super. Omaha—Yellow Pages—Charles Ammons, acct super.

MOUNTAIN BELL

G. M. Fowler, asst vp
J. J. Arca, adv mgr

ADVERTISING AGENCY

Tracy-Locke, Denver—all services—Don Mitchum, vp-acct super.

PACIFIC NORTHWEST BELL TELEPHONE CO.

E. C. Read, vp
K. P. Todd, div staff mgr

ADVERTISING AGENCY

Chiat/Day, Seattle—all services—Corey Klein, vp.

PACIFIC TELEPHONE & TELEGRAPH CO.

G. D. Blatherwick, vp
J. Golightly, staff director

ADVERTISING AGENCIES

Foote, Cone & Belding/Honig, San Franciso—all services—T. W. Randolph, genl mgr; R. A. Imel, group mgmt super.

Bermudez & Associates—Spanish-language advertising—Eduardo Bermudez, president; Maria Leyva, acct exec.

BUSCHHHH!
BUSCH

Anheuser-Busch's Busch beer was reformulated and the package redesigned last year. The brew is supported by tv and multiple page ads.

Anheuser-Busch

	1978	1977
Sales	$2,701,611,000	$2,231,230,000
Earnings	111,040,000	91,945,000
Advertising	116,599,000	79,171,000

Anheuser-Busch, St. Louis, the country's biggest brewer and 34th largest advertiser, hoisted its ad budget by 47% last year to a total of $116,599,000, as it continued its race "to make space" between it and its nearest competitor, Miller Brewing Co.

During the past year, Anheuser-Busch became the first brewery to brew over 40,000,000 bbls. in a single year—another jewel for its "King of Beers" crown. In its St. Louis plant (the brewery's first) A-B marked another milestone by producing 1,000,000 bbls in a single month.

With a marketing force marshalled into the brand management system and fleshed out with MBAs and Procter & Gamble grads, the company rolled out three new products in 18 months. Not letting up in momentum, Anheuser-Busch brought out more new products for test last year: Wurzburger Hofbrau, its "real import" from Germany, and, out of its soft drink division, Chelsea, "a premium soft drink."

▪ Although the precocious Miller Brewing still nips at its heels, Anheuser-Busch has steadfastly maintained its dominance in the beer industry. By year-end, A-B held a 25.1% share of market, while Miller collected 18.8% piece of the action. Matching Miller's expansion plans dollar for dollar, Anheuser-Busch's network of 10 breweries will have a production capacity of at least 58,000,000 bbls. by 1982.

In 1978, A-B's sales climbed 22.9% to $2,701,611,000 from its '77 tally of $2,231,230,000. Net income kept pace, increasing to $111,040,000—21% over the $91,945,000 rung up in 1977.

In beer (the company's bread and butter and 92% of its consolidated net sales), A-B's barrelage was up to 41,600,000 bbls.—making 1978 another record year. In 1977 the company's barrelage figures were 36,640,000 bbls. (also a record).

▪ Anheuser-Busch calls its '78 marketing efforts, "the most extensive and aggressive in company history." It was certainly the most expensive. A-B led its beer brethren in network tv buys. Last year, Anheuser-Busch even went so far as to shoot special spots for tv specials—*i.e.* "Roots," "Rocky" and a whole series of "Bud Taste-Buds," designed with "Saturday Night Live" in mind.

A-B's biggest seller is Budweiser, "the King of Beers." Beginning in April, the brand got a new pitch themelined "This Bud's for you." The campaign stars working Americans. The brewery spent $24,636,700 on Budweiser in the six measured media, up from the $2,726,500 spent in '77. The bulk of those funds ($19,678,900) went into network tv.

Michelob, A-B's super-premium contender, kept its "Weekends are made for Michelob" pitch with Vic Damone on the vocals. In measured media support, the brew got $11,689,500—with $8,216,700 in network tv. Michelob also had a good deal of sports promotion support with tie-ins with golf, sailing and rugby.

Michelob's reduced-calorie version, Michelob Light, is now available nationwide. Still claiming "Good taste runs in the family," the commercials make sure to include female beer quaffers. In media, A-B spent $6,475,800 on Michelob Light—with $5,113,200 in network tv. In '79, the company has allocated more than $10,000,000 to boost the brand.

▪ Natural, alias Anheuser-Busch Natural Light, reportedly gained market share points in the light beer segment—further solidifying its No. 2 ranking behind light beer leader, Miller Lite.

The brand is being promoted by the master of mispronunciations, Norm Crosby, and the rather eccentric Ray Johnson. New spots tap the talents of Marcia Wallace (formerly Bob Newhart's scatterbrained secretary), Fred Willard ("Fernwood 2-Night" host), ventriloquist Willie Tyler and dummy Lester.

Like its super premium counterpart, the brew is being aimed at the fairer sex as well in ads headlined "Its my beer too"—created by D'Arcy-MacManus & Masius and running in such books as *Better Homes & Gardens*, *Cosmopolitan*, *McCall's* and *Woman's Day*.

The new Busch with its jazzy graphics, new taste and higher price made its way last year throughout New England into the Southeast and Midwest (everywhere except southern Illinois and Missouri where only the packaging is new).

With Needham, Harper & Steers on the creative, the brand maintained its naturalistic "Head for the Mountains" motif. The brewery shelled out $5,078,400 on Busch with the lion's share ($5,011,500) in spot tv. Spending was up even higher for its '79 attack as the company boasted of outspending its nearest competitor by 50%.

▪ After rumors flew for months across the Atlantic, the Anheuser-Busch/Wurzburger pact was finally perfected. The company has sent the German brew out into test in Boston, Atlanta, and Hartford. TBWA is doing the creative drive emphasizing the barrel-in-the-Atlantic method of import.

While the marketing men were getting out the brews, the company's chairman and corporate legal army were out in the back slinging mud with Miller Brewing.

The brawl hit a new intensity when Miller tromped up to the Federal Trade Commission to charge A-B of false, deceptive and misleading advertising in its claims that A-B brews are natural—which Miller alleges they are not.

The Milwaukee brewer raised its voice against A-B on another front as well—this time it was Busch's light beer entries. Again, Miller claims A-B is making false claims

MARKETING PROFILES

and that any brew over 100 calories is not a "light" beer.

Anheuser-Busch disagrees on both scores and came back with a detailed counterpunch presented to the Bureau of Alcohol, Tobacco & Firearms.

■ Anheuser-Busch is hot on the diversification trail, as exemplified by the establishment of a Delaware holding company and development of its soft drink division.

Last winter, A-B put its first soft drink, Chelsea (known then as the "not-so-soft" drink with a 0.5% alcoholic content) into test in New Orleans, Peoria, Sacramento, Springfield, Mass., and Richmond, Va. As a result of the ballyhoo caused by groups accusing A-B of encouraging children to become beer drinkers by offering them a "baby-beer," the company yanked the product off the market, re-did it completely, reformulated the head and alcohol out and came with an alternative (interim) in ad drive—"Chelsea. The Natural Alternative."

In the summer (and in its third time at bat), Needham came up with yet another—"Peel a Chelsea"—campaign.

Chelsea is just the first of what is expected to be a line of soft drinks. The company is looking for new products that can tap its beer distribution set-up. One line of products currently under development is a line of snack foods, reportedly called Eagle.

■ Aside from its beer division, Anheuser-Busch is the leader in baker's yeast and has business interests in family entertainment, can manufacturing, transportation, malt production, baseball, and real estate.

In the $1 billion themepark market, A-B's entries had good years in '78 as attendance was up 19% at the Old Country in Williamsburg and 8% at the Dark Continent in Tampa. The company announced a $20,000,000 expansion plan to create a new section in the Florida park called Timbuktu, with a roller coaster and a 1,200 seat festhaus plus a water park dubbed Adventure Island, complete with water slides.

The baseball Cardinals had a rough season in '78 and attendance fell to 1,300,000—not surprising for a city known for its fair weather fans. However, in '79 under the auspices of former Card third base great Ken Boyer, the Redbirds took off in the first part of the season to old heights as that "grand old man" of baseball, the base burglar, Lou Brock, led the league in hitting. The team also got a new bird mascot—Fredbird the Redbird.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,381,300	$2,026,500
Magazines	3,058,100	2,964,400
Spot tv	11,041,100	10,236,800
Network tv	46,840,800	32,165,400
Spot radio	12,315,000	8,573,000
Network radio	2,483,800	1,842,000
Outdoor	1,666,400	879,100
Total measured ..	79,786,500	58,687,200
Unmeasured	36,812,500	20,483,800
Estimated total ..	116,599,000	79,171,000

MARKETING PERSONNEL

Dennis P. Long, vp-gen mgr, beer div
Michael J. Roarty, vp-beer mktg
Michael J. LaMonica, Luke L. Meatte, field sales vps
Jack N. MacDonough, Budweiser mktg mgr
Robert E. McDowell, group mktg mgr: Michelob, Michelob Light, Wurzburger Hofbrau
Alfred C. Carosi Jr., Nautral Light mktg mgr
W.M. (Monty) Robers III, Busch mktg mg
Charles B. Fruit, natl media coordinator
Robert D. Brandon, director, mktg services
Patrick G. McLean, director, sales promo
Donald R. Dixon II, director, sports promo

Soft drink division

Keith M. Jones, mktg mgr

Busch Gardens division

Thomas R. Sharbaugh, mktg director
Barry H. Thigpen, mktg mgr, Busch Gardens, Williamsburg
Rodney C. Caborn, mktg mgr, Busch Gardens, Tampa

ADVERTISING AGENCIES

D'Arcy-MacManus & Masius, St. Louis—Budweiser: Clifford Helfrich, vp, acct. super; Natural Light: Perc Orthwein, acct super; Michelob and Michelob Light: James Mayfield, acct super.

Needham, Harper & Steers, Chicago—Busch: Ron Bess, acct director; Barrie Hedge, acct super; Ray Gillette, acct exec. Chelsea: Ron Bass, acct super; Lance Nelson, acct exec.

TBWA, New York—Wurzburger Hofbrau: John Doman, acct super.

McDonald & Little, Atlanta—Busch Gardens: Joe Lonsdorf, acct super; Jim Epstein, acct exec.

Avon Products

	1978	1977
Sales*	$2,014,706,000	$1,648,471,000
Earnings* ..	227,941,000	191,492,000
Advertising**	63,800,000	55,000,000

*Worldwide
**U.S. only

Avon Products, New York, ranked 62nd among national advertisers in 1978, with a domestic advertising expenditure of $63,800,000, a 16% increase over 1977.

In 1978, Avon again set records in both sales and earnings. Net worldwide sales reached $2.01 billion. A 22% increase over 1977, this is the highest rate of gain the company has achieved in the past 22 years. Earnings were up 19% from 1977 to $228,000,000.

Domestic sales increased 20% to $1.12 billion. Foreign sales, excluding Geni Canada tableware, were up 24% to $84,000,000. Sales in Europe increased 22%; in both Canada and the Pacific, they were up 23%, and in Latin America, up 30%.

■ In 1978, Avon began sales operations in New Zealand, Thailand and the Ivory Coast. It also acquired Beautifont Inc., a cosmetics manufacturer, and Aura Laboratories, a supplier, in the Philippines.

In 1978, a record number of more than 1,000,000 Avon representatives sold the company's 700 products on a direct basis to 80,000,000 customers in 27 countries. They were supported by $45,100,000 in worldwide media advertising, an increase of $9,712,000 over 1977.

Another $38,420,400 was spent on unmeasured advertising, for brochures and catalogs, some as long as 96 pages; shopping bags; sales rep presentations, and other special promotional tools.

Television received the largest chunk of Avon's measured advertising dollars, $20,114,500 in network and $1,104,000 on spot tv. Magazines followed, with a $2,879,700 allotment, down $671,000 from 1977; $1,561,500 of this amount was directed toward sales representative recruitment.

Radio was divided between $331,400 for spot and $267,600 for network, there was no network radio investment in 1977, and spot totaled less than $80,000,000. Avon spent $682,400 on newspapers in 1978. In addition, the company intensified its ad efforts across the board to reach black and Spanish-speaking consumers.

■ The major advertising push of the year was the $3,500,000 "Operation Smile" campaign. Designed to increase the number of customers served by each sales rep, the campaign, whose theme was "Avon, you make me smile," appeared in tv, radio, women's magazines, Sunday supplements, and bus posters.

In the campaign, customers received an Avon "About Town" $2.25 lipstick for 35¢ plus a used lipstick. The company's biggest promotion ever, "Operation Smile" resulted in a 40% increase in overall U.S. sales during May, 1978, compared to May, 1977; a doubling of lipstick volume; and a 30,000 boost in the number of Avon representatives.

Avon also branched out into other promotional areas in 1978. The company signed a $10,000,000 to $15,000,000 five-year package agreement with the Women's Tennis Assn. to sponsor a winter circuit championship tour. The tour had previously received backing from Philip Morris for Virginia Slims.

AVON
YOU MAKE ME SMILE

Avon has gone to tv advertising in a big way, spending more than $20,000,000 in the medium. Commercials supported its "Operation Smile" promotion.

■ New Avon products in 1978 included Tempo, the latest prestige fragrance, which received introductory support of $4,738,100, allotted primarily to network tv and women's magazine color spreads; Skinplicity, a facial skin-care plan; Feelin' Fresh, a bath product family line; Avon New Vitality, hair conditioning products, and 16 Avon Colorcreme Moisture lipsticks. Fine jewelry was added to the company's Collection jewelry line.

Of major financial significance in 1978 were Avon's merger plans with Tiffany & Co., the 142-year-old prestige jeweler. On Feb. 1, 1979, Avon and Tiffany approved the merger agreement, which would make Tiffany, operator of six jewelry stores throughout the U.S., a wholly owned subsidiary of Avon.

Under the agreement, Avon was scheduled to issue 0.845 shares of its capital stock for each outstanding share of Tiffany common stock, or a total of approximately 1,951,340 shares of Avon stock. The merger was approved by the board of directors of each company in the spring of 1979.

Tiffany, which reported net earnings of approximately $4,000,000 for the year ended Jan. 31, 1978, is operating as an independent entity with its management lineup intact.

Bradley H. Wells became director of advertising, replacing Richard McCaffery, and Peyton Sise and Ann Weeks became managers, advertising, succeeding Diane Perlmutter.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$682,400	$2,900
Magazines	2,879,700	3,550,700
Spot tv	1,104,000	2,891,800
Network tv	20,114,500	17,931,000
Spot radio	331,400	79,000
Network radio	267,600	—
Total measured ..	25,379,600	24,445,400
Unmeasured	38,420,400	30,544,600
Estimated total ...	63,800,000	55,000,000

MARKETING PERSONNEL

James E. Clitter, exec vp, mktg worldwide
E. Peter Raisbeck, group vp, mktg U.S.
Barbara M. Pesin, vp, adv
Bradley H. Wells, director, adv
Ronald G. Muckstadt, mgr, adv
Peyton Sise, mgr, adv
Ann Weeks, mgr, adv
William J. Corbett, dir, pr
Isabelle McAllister, adv coordinator

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Brandon Ryan, mgmt super.

Uniworld Group, New York—Wally Caldwell, mgmt super.

N W Ayer ABH, New York—Peter Elder, mgmt super.

TIFFANY & CO.

Barbara Sumwalt, adv director

ADVERTISING AGENCY

Lord, Geller, Federico, Einstein, New York—John Tanaka, acct super.

B.A.T. Industries

	1978	1977
Sales*	$1,361,700,000	$1,478,777,800
Advertising*	82,397,500	91,253,000

*Domestic (cigaret sales only), estimated by AA

B.A.T. Industries, the 47th largest national advertiser, is estimated to have spent $82,397,500 on advertising in 1978.

Brown & Williamson, Louisville, is the largest U.S. subsidiary of B.A.T. Industries Ltd., a British holding company and that country's third largest industrial enterprise.

■ Although B&W neither issues an annual report nor releases sales figures, it is estimated that based on unit sales, the company accumulated $1,361,700,000 in cigaret sales in 1978, compared with $1,478,777,800 in 1977. Worldwide sales for B.A.T. Industries in 1978, meanwhile, were estimated at $13,460,000,000.

The 1978 ad total was down 9.7% from an estimated $91,253,000 in 1977. This reflected a 3.1% decline in cigaret sales the company experienced, from 95.26 billion in 1977 to 92.3 billion last year. B&W's market share likewise dropped to 15.3% from 15.8% in 1977.

■ B&W, which just recently reorganized its tobacco unit into the BWI Tobacco Group, ranks third among the six major U.S. cigaret makers, behind R.J. Reynolds and Philip Morris Inc. and ahead of American Brands, Lorillard Corp. and Liggett & Myers.

(The reorganization resulted in the formation of three divisions: Brown & Williamson Tobacco U.S.A., Brown & Williamson International Tobacco and Export Leaf Tobacco Co.)

Kool, the top selling menthol cigaret in the U.S., continues to be the company's best-selling brand. In third place over-all in 1978, Kool sold 59.4 billion units, 790,000,000 fewer than the year before. Kool filters accounted for 58.6 billion units in 1978.

Kool received $27,555,300 in measured media in 1978. Magazine support totaled $10,803,300, newspaper supplements $4,758,600 and outdoor $11,902,300.

Kool Super Lights, introduced in 1977, were promoted through a series of star-studded concerts during March. Featured were singers Sarah Vaughan, Mel Torme and Paul Anka, as well as jazz saxophonist Gerry Mulligan and the Count Basie Orchestra.

■ The Super Light extension, supported by more than $14,500,000 in measured media in 1978, aimed at warding off the defection of Kool and Kool Milds smokers to single digit low-tars produced by other manufacturers.

Viceroy, No. 2 at B&W and No. 13 nationally, sold 12.3 billion units in 1978, down 590,000,000 from the year before. Measured media spending for the brand totaled $6,889,100, compared with $9,117,700 in 1977. Magazines received $2,097,000, newspaper supplements $424,300 and outdoor $4,367,800.

In the fall, B&W moved the low-tar Viceroy Rich Lights into national distribution from test market in Little Rock, Ark. More than $3,000,000 in measured media supported the effort, which included the line, "the first low-tar cigaret good enough to be called rich."

■ Raleigh, the No. 14 brand nationally, had plain and filter combined sales of 12.1 billion units, 350,000,000 fewer than in 1977. The filters, including Raleigh Lights, accounted for 11.1 billion of those units, down from 11.3 billion in 1977. Plain kings were also down, from 1.1 billion in 1977 to 1 billion in 1978.

Measured media support for Raleigh totaled $6,896,600, down considerably from $9,371,400 in 1977. Magazines received $1,894,100, newspaper supplements $3,004,400 and outdoor $1,998,100. The outlay included $261,200 for a sweepstakes and $129,400 for a refund promotion.

■ Belair, the 20th largest-selling cigaret, followed the pattern of the other B&W brands when it saw its sales drop to 8.3 billion units in 1978 from 8.7 billion in 1977. Measured media spending, however, increased slightly: $8,246,400 in 1978, compared with $8,102,100 the year before. Magazines received $4,640,200, newspaper supplements $2,000,100 and outdoor $1,606,100.

Recognizing the ever-growing shares low-tars are receiving—an estimated third of the market—B&W moved a new brand, Arctic Lights, into national distribution during the spring. The 9mg menthol was the third low-tar entry from B&W in the last few years. It follows the successful Viceroy Rich Lights and the heavily supported but unsuccessful Fact, withdrawn from the market in 1978.

Ads for Arctic Lights are depicting a pack of the cigarets encased in a clear block of ice. B&W said that the brand "delivered more in trial than any new brand we've ever tested."

On the international front, B&W has begun shipping Kool and Viceroy, as well as Lorillard's Kent, to China. The move came in light of B.A.T. Industries' efforts to shore up sagging sales by expanding markets in developing countries.

Other products in the B&W tobacco stable include Laredo, a roll-your-own cigaret kit; Sir Walter Raleigh regular, aromatic and special mixture pipe tobaccos; Tube Rose snuff; Bugler, Target and Kite tobaccos for roll-your-own markets, and Bloodhound, B&W Sun Cured and Red Juice plug chewing tobacco.

■ One operation of Brown & Williamson's that showed up prominently in the news last year involved the company's retail outlets, estimated to have had a volume of $1.6 billion in 1978.

Faced with persistently disappointing years at Gimbels, B&W consolidated its retail units—Gimbels, Saks Fifth Avenue, Kohl Supermarkets and Kohl Department Stores—by forming the BWI Retail Group and bringing in Saks' top management team to run it.

Gimbels, a 38-store chain with outlets in four states, reportedly was finding its New York and Philadelphia operations less than profitable. That has been mitigated somewhat over the years by the sales and earnings growth displayed by the 31-store Saks. Reports noted Gimbels and Saks together showed a 5% rise in sales, to $1 billion, in 1978, but all of it was said to be attributable to Saks.

■ Media ad spending as measured by Leading National Advertisers for Gimbels in 1978 totaled $4,363,300, of which $78,400 went to magazines, $626,400 to newspaper supplements and $3,658,500 to spot tv. For Saks, the total was $2,753,100, with $727,100 to magazines, $236,100 to newspaper supplements and $1,575,000 to spot tv.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$24,366,100	$16,532,100
Magazines	32,269,200	22,765,200
Spot tv	5,547,100	6,010,100
Network tv	713,900	—
Spot radio	14,000	18,500
Outdoor	13,343,500	21,071,600
Total measured ..	76,253,500	66,397,500
Unmeasured*	15,000,000	16,000,000
Estimated total ...	91,253,000	82,397,500

***Includes newspaper supplements, transit, beetleboards, p.o.p. and sampling.**

MARKETING PERSONNEL

C. I. McCarty, chairman
R. M. Kirk, vice-chairman
I. W. Hughes, president
J. A. Broughton, vp, sales
D. S. Johnston, vp, brand mgmt
F. E. McKeown, group product mg.—Kool
E. T. Parrack, group product mgr—Belair, Viceroy, Raleigh, Sir Walter Raleigh, Laredo, long-cut products, plug, snuff
P. J. Tighe, group product mgr—new products
Senior brand mgrs: G. T. Reid, Kool; B. L. McCafferty, Viceroy; J. H. Barnes, Belair, Raleigh; E. A. Willets, Kool Super Lights; D. E. Spangler, new products
Brand mgrs: M. J. McCue, Raleigh; L. R. Lewis, new products
Asst brand mgrs: M. M. Matteson, I. R. Holmes, M. W. Schofield, R. Allen, S. M. Finley, C. D. Schreiner, A. G. Forsythe
T. F. Neville, media mgr
R. A. Veatch, brand promo mgr.
J. M. Coleman, financial/administration mgr
F. Canary, asst media mgr
C. E. Smoot, production super

ADVERTISING AGENCIES

Ted Bates & Co., New York—Kool, Kool Super Lights—W.F. Scholz, mgmt rep; S. McCloskey, acct director; K. Corlett, acct super, Kool Super Lights; P. Weinseimer, acct super, Kool.

Post-Keyes-Gardner, Chicago—Kool, Viceroy (media buying/planning/production), Raleigh and Belair cigarets, Sir Walter Raleigh smoking tobacco, Laredo filter blend—J. Doherty, president; S. Paluch, T. Petrakis, creative directors; A. Edelstein, associate media director; G. Wilcox, media director; W. Williams, mgmt super; R. Parker, acct director; M. Mayers, group super, Belair, Raleigh and Sir Walter Raleigh; B. Gustafson, acct super, Raleigh; J. Clites, acct super, Belair; J. Popp, acct super, catalog and merchandising.

McCann-Erickson, New York—Viceroy and new products—R.S. Lessler, vice chairman and chief operating officer; F.J. Van Borte, exec vp; T. Grant Sr., vp; A. Millar, acct exec; G.J. Schwinder, vp-acct super; F. Sella, acct exec.

Rosser Reeves Inc., New York—new products—R. Reeves, creative head; R. Reeves III, president; J.B. Hedquist, exec vp; C. Berk, acct super.

Hawkins, McCain & Blumenthal, New York—new products—J. McCain, mktg director; A. Hawkins, creative director; J. Blumenthal, creative director.

Zimmer-McClaskey-Lewis, Louisville—promotion services, trade and community advertising—W.C. Hultman, acct super; J. Clingaman, super-sales promo planning; R. Mills, R. Brymer, acct mgrs.

Action Marketing Ltd., Englewood Cliffs, N.J.—consumer promotions—C. Visich, president; P. Mundy, mgmt super; J. Acken, N. Noell, acct super.

Beatrice Foods Co.

	1978	1977
Sales	$7,468,373,000	$6,513,116,000
Earnings ...	261,010,000	225,945,000
Advertising	150,370,000	126,078,000

Beatrice Foods Co., Chicago, the nation's 17th largest advertising, invested $150,370,000 in advertising in 1978, an increase of 19% over the previous year.

As in the past, Beatrice in 1978 put the bulk of its ad investment—$109,570,200—into such nonmeasured media as coupons, premiums, packaging, point of sale and the like.

Out of the total $33,429,800 spent in measured media, Beatrice's largest investment was in spot television ($16,903,900), followed by network tv ($5,565,800), both up over the previous year.

Measured magazine advertising jumped from $3,000,000 to $4,000,000, while newspaper expenditures dropped from nearly $3,500,000 to $2,700,000. Other measured media included farm publications, network radio and outdoor.

ARCTIC LIGHTS
Discover
Arctic Lights
-more menthol refreshment than any other low 'tar' cigarette.
Arctic Lights: Kings & 100's

Brown & Williamson moved its low-tar Arctic Lights into national distribution during the spring.

- Though the Dannon yogurt line continued to be the company's most heavily advertised product as measured by Leading National Advertisers, Dannon's measured advertising dropped to $4,600,000 last year from $4,800,000 in 1977

Dannon yogurt advertising actually dropped to $2,800,000 from $3,200,000 while support for Danny frozen yogurt products increased to $1,800,000 from $1,500,000 the year before.

This reflected Beatrice's continued expansion of frozen yogurt items designed to compete with ice cream and sherbet. Most of the ads were in spot television.

Other lines receiving heavy advertising support included Samsonite luggage, $3,672,200; Peter Eckrich & Sons, $4,470,000, most of it for frankfurters ($1,600,000) and sausage ($2,000,000) on spot tv; $2,614,000 for Sanna division's Swiss Miss Lite instant cocoa mix and Swiss Miss Ready to Eat pudding; La Choy Chinese food products, $2,200,000, and Culligan home water purifiers, $1,215,900.

- Relying on a combination of acquisitions and internal growth, Beatrice has accumulated more than 400 distinct operating units under its corporate umbrella. Of the ten business lines Beatrice uses in its reporting procedures, six pertain to food and related services, while four involve manufactured and chemical products.

With food-related businesses accounting for 72% of total sales in 1978 and 62% of pre-tax earnings, Beatrice considers itself the "country's largest food company."

The company is widely recognized for its management acumen, and its successful corporate strategy has called for the conglomerate to maintain a low corporate profile while allowing its operating units a great deal of autonomy.

Though the corporate headquarters makes decisions on top personnel, performs financial and accounting functions, reviews all marketing decisions and provides counseling and assistance when necessary, most operating decisions—such as ad expenditures (within guidelines), themes, campaigns and agency selections—are left to the individual operating units.

- Considering Beatrice's generally low profile, probably the most surprising development during the last year was the highly visible and widely publicized conflict within the corporation's board of directors.

The conflict revolved around the question of who was to succeed retiring ceo Wallace N. Rasmussen and what was to be the role of the outside directors. Though the airing of directorial dissension proved an embarrassment to the company, most observers do not anticipate that the shakeup will have any significant effect on the operations of the corporation.

During the last year, Beatrice sold off several companies, including high fidelity manufacturer Harman International and the finance and insurance segments of Southwestern Investment Co. At the same time, Beatrice made two major acquisitions, bringing Tropicana Products, and Culligan International Co. into its fold.

- Despite Beatrice's buying and selling during 1978, most food industry analysts are convinced that the company's growth in the near future will come from internal growth and geographical expansion of the company's strong regional brands.

Dairy and soft drink operations showed increased sales of $1.9 billion in 1978, up 5.5% from $1.8 billion the year before, with the most volatile activity occurring in the Dannon yogurt operations.

Acquired 20 years ago as a $4,000,000 sales company, Dannon is expected to do in excess of $100,000,000 in sales in 1979. It became the first branded yogurt to be sold nationally when it entered the California market this summer.

Supplied by the recently completed Fort Worth plant, Dannon's West Coast outlets give the yogurt producer entry to a giant and highly competitive market and bring it head to head with such firmly entrenched companies as Knudsen Corp. and Beatrice's own Johnston unit, as well as such other newcomers to the western yogurt market as General Mills and Foremost-McKesson.

- Dannon had previously announced that it would be going national in 1981, and the speeded up timetable is seen as an effort to cash in on the advantage of being "on the shelf first."

Though Dannon will undoubtedly gain some advantages from the move, it will not be without its costs. According to several industry observers, Dannon, which does more than 75% of its business in the eastern U.S., will find that the distribution costs of going west of the Mississippi will cut into its profits.

Analysts also point out that the yogurt market—estimated by some to have reached $600,000,000 in annual sales—has begun to plateau and that competition will become increasingly fierce.

Some of these events have already come to pass. In 1978, despite an estimated 7% growth in unit volume, Dannon experienced a decline in earnings due to competitive pressures and expansion costs. Beatrice officials have indicated that Dannon advertising, which fell in 1978, will be increased in the coming year.

- The increased competition spilled over into the frozen yogurt market, and the Danny frozen yogurt line responded with a substantial increase in advertising expenditures to support the product expansion it has undertaken in the last two years.

In Beatrice's other dairy operations, Viva brand's new yogurt drink was well received last year and is slated for wider distribution; Swiss Miss Light, a low-calorie hot chocolate drink, rolled national; and Swiss Miss puddings, introduced several years ago, took off last year, doubling in sales over the last 18 months.

Due to the inclusion of newly acquired Tropicana, Beatrice's grocery operations sales grew to $963,000,000 (up 36%) while earnings shot to $82,000,000 (up 64%). Excluding Tropicana, the grocery operations recorded a 10% increase in sales and a 12% increase in earnings.

- There is little doubt that Beatrice is looking to squeeze a lot of profits out of the fruit juice market with its acquisition of Tropicana, for which it paid close to $500,000,000 last year.

Despite a shortage in the Florida citrus crop that forced the company to import higher priced supplies, the growing demand for fruit juices enabled Tropicana to report good earnings last year. The company has launched an expansion program that will double its production capacity this year.

La Choy's strong performance also bouyed the grocery operations. Riding the surging interest in ethnic and convenience foods, the producer of Chinese foods introduced canned sweet and sour chicken and pork as well as frozen won ton soup last year as part of its long-term plan for expanding its Oriental items and developing consumer tastes.

- Despite a 20% increase in sales to $658,000,000, the Specialty Meat operations showed a minimal increase of 1% in earnings to $45,000,000. According to food industry analysts, most of this lackluster performance was a result of problems suffered by the E.W. Kneip fresh meat unit and caused by last year's beef shortages and fluctuating demand. The Peter Eckrich & Sons processed meat unit continued its expansion toward national distribution of its products. Eckrich currently generates 30% of its sales outside its Indiana, Illinois, Ohio and Michigan stronghold, as compared with 12% five years ago, and has opened three new branch offices.

In line with its geographical expansion, Eckrich's measured media advertising support increased nearly 50% to $4,500,000 from $3,300,000 the previous year.

Despite rising gas prices that hurt sales of Airstream recreational vehicles, the strong performance of Samsonite luggage helped the Travel and Recreation operations post a 20% increase in earnings to $46,000,000 this year on a 14% increase in sales to $497,000,000.

- Samsonite's performance was spurred by the air travel boom that resulted from airline deregulation and was supported by a 25% increase in measured advertising.

The company also continued its penetration of the fashion-oriented softside luggage market that it had entered in 1970 and that now comprises one-third of its total sales. Four new lines of softside luggage were introduced last year to meet the wider range of consumer tastes.

Despite declining domestic candy consumption, the Confectionery and Snack operations posted strong performances last year with sales increasing 13% to $164,000,000 and earnings jumping to $59,000,000, up 15%.

- Particularly strong were activities in Latin America, where increasing disposable income has led to increased demand for such products.

Domestic performance was helped by greater aggressiveness in new products and brand development, including a new television campaign for Fisher nuts that quadrupled Fisher's measured ad expenditures, and the national distribution of Clark's successful Crispy bar, as well as the test marketing of several nutrition-oriented products.

New Swiss Miss Lite.
When you taste what we put in, you won't believe what we took out.

Swiss Miss Lite was one Beatrice Foods Co. product that received heavy support over the year.

In Beatrice's other lines of business:

- Institutional and Industrial operations earned $111,000,000 last year (up 5%) on sales of $753,000,000 (up 11%). Recently acquired Culligan will be added to this group, and is planning to raise the proportion of commercial and industrial business it handles, as well as trying to capture a greater portion of the large number of homes in water problem areas that do not have water conditioners.
- Food distribution and warehousing operations continued to show solid improvement in both sales and earnings. Sales last year rose 18% to $977,000,000, while earnings rose 15% to $50,000,000.
- Agri-Products operations showed sales increasing 12% to $391,000,000 last year, with earnings rising to $33,000,000, up 33% over last year.
- Housing and Home Environment operations, which were adversely affected by the poor performance of the Harman International high fidelity group (which the company expects to sell), experienced a decline in earnings of 20% to $42,000,000 last year despite an increase in sales to $573,000,000.
- Chemical and Allied Products operations posted a strong performance last year, with earnings climbing 28% to $38,000,000 on a sales increase of 20% to $274,000,000.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,717,100	$3,496,000
Magazines	4,023,400	3,056,190
Farm Publications ..	874,500	788,300
Spot tv	16,903,900	14,831,300
Network tv	5,565,800	3,982,300
Spot radio	3,221,300	2,289,000
Network radio	99,700	82,600
Outdoor	24,100	55,200
Total measured ..	33,429,800	28,580,800
Unmeasured	116,940,200	97,497,200
Total	150,370,000	126,078,000

MARKETING PERSONNEL

Dairy Division

William W. Granger Jr., exec vp, intl foods
John D. Conners, senior vp, div president
Juan E. Metzger, vp, mgr-Dannon yogurt
Harold Hallquist, dairy mktg coordinator
Harold Bogigian, adv director

Grocery Division

Harry Niemiec, exec vp, grocery specialties, confectionary & snack, bakery
Gordon Swaney, vp, asst genl mgr, grocery specialties division
William Burkhart, president, bakery division.

Confectionary & Snack Division

B. Robert Kill, div president

Soft Drink Division

William S. Mowry Jr., div president

Institutional Foods

T. Mackin Sexton, vp, div president

Specialty Meats

Joseph E. Quinlan, vp, div president

Consumer Arts

James Weiss, div president
Thomas Mitchell, div exec vp

Leisure Products

James Weiss, exec vp
Norman M. Schneider, div chairman
Vernon Davidson, div president

Chemical Division

James Weiss, exec vp
Harry C. Wechsler, vp., div president

Agri-Products Division

John D. Conners, senior vp
Richard A. Walrack, div president

International Food Division

Anthony Luiso, div exec vp
Peter Brown, president-Australia & Far East operations
Andre J. Job., president-Latin American operations
Roland M. Binnington, president, Canadian dairy operations
John Hazelton Jr., vp, president-European operations

Manufacturing Division

Richard W. Hanselman, exec vp-mfg operations
John Day, vp-mktg services
Edwin D. Disborough, vp, div president luggage and home environment
Theodore R. Ruwitch, vp, president, consumer products div
Walter R. Lovejoy, senior vp, president, institutional and industrial div

ADVERTISING AGENCIES

Arnold & Co., Boston—Market Forge (health

MARKETING PROFILES

care, cooking and food service equipment).

Ayres & Associates, Lincoln, Neb.—The Snow Co.

Benton & Bowles, New York—Peter Eckrich & Sons.

Bozell & Jacobs, Minneapolis—Sanna Inc.

Chiat/Day, Los Angeles—Johnston Foods Co.

Cummings/McPherson/Jones & Porter, Rockford, Ill.—Special Products division; Dell Food Specialties; Sanna industrial division.

Dailey & Associates—Rosarita Mexican Foods.

Elbert Advertising, Waltham, Mass.—polyvinyl chemicals.

Fox, Sweeney & True, Denver—Meadow Gold Dairies, Seven-Up Bottling Co. of Denver.

Alex T. Franz Inc., Chicago—Culligan International.

SSC&B, New York—Tropicana Products.

Garfield-Linn & Co., Chicago—World Dryer Corp.

Guerin, Johnstone & Gage, Los Angeles—Airstream Inc.

Hicks & Greist, New York—County Line Cheese.

Hoffman York, Milwaukee—Brillion Iron Works.

J.M. Korn & Son, Philadelphia—Thomas D. Richardson Co.

Lord, Geller, Federico & Partners, New York—Stiffel Co.

McKinney, Silver & Rockett, Raleigh, N.C.—D.L. Clark Co.

Mandabach & Simms, Chicago—Bloomfield Industries.

Marsteller Inc., Chicago—John Sexton & Co., Vogel-Peterson Co.

Marsteller Inc., New York—Dannon milk products, Louis Sherry Ice Cream Co.

Meltzer, Aron & Lemen, San Francisco—Wells Mfg. Corp. (electric commercial restaurant equipment).

Fred A. Niles Marketing Systems, Chicago—Meadow Gold dairy division.

PGM Studios, Chicago—Chicago Specialty Mfg Co.

PKG/Cunningham & Walsh, Chicago—Aunt Nellie's Foods, Beatrice Frozen Specialties, La-Choy Food Products.

Eric Ericson & Associates, Nashville—Martha White Foods.

Provandie & Chirurg, Boston—Buxton Inc.

Albert Jay Rosenthal & Co., Chicago—Switzer Candy Co.

Schram Advertising, Chicago—Homemaker Industries, Smith Baldwin & Calbert, Gebhardt Mexican Foods Co.

Seigle, Schiller, Rolfs & Wood, Honolulu—Meadow Gold dairy division.

Sperry-Boom Inc., Chicago—Mid West Co.

Stevens Inc., Grand Rapids, Mich.—Hekman Furniture Co.

J. Walter Thompson Co., New York—Samsonite (luggage).

Three Arts Inc., Cedar Rapids, Ia.—Virgortone Products.

Beecham Group Ltd.

	1978	1977
Sales*	$1,910,817,000	$1,610,946,000
Earnings*	303,048,000	265,608,000
Advertising	27,656,500	30,779,200

***Worldwide figures, converted to U.S. dollars.**

Beecham Group Ltd., Clifton, N.J., the 100th largest national advertiser, spent an estimated $27,656,500 in advertising in 1978, a 10% decline from an estimated $30,779,200 in 1977.

The figure, however, was still considerably above the $8,166,400 spent in 1976, before the acquisition of Merck & Co.'s Calgon consumer products business.

The British-based company reported worldwide sales of $1,910,817,000 in the year ended March, 1979, an 18.6% increase over the $1,610,946,000 recorded the year before. Earnings also increased, 14.1%, to $303,048,000 from $265,608,000 over the same time period.

Although the company does not break out U.S. figures, sources said the U.S. divisions of Beecham Inc. had sales of about $400,000,000 in the year ended March, 1979.

Total group sales distribution for the year broke down as follows: North and South America 19%, United Kingdom 30%, Western Europe 31% and others 20%.

■ The big product news for the company in 1978-79 was the national rollout of Aqua-fresh, a toothpaste that went through several years of extensive testing. In early tests, Beecham obtained a 4% market share with Aqua-fresh, and figures for expansion markets went much higher.

The national rollout of the toothpaste, which is being positioned as a breath freshener and cavity fighter, was said to be accompanied by a planned $10,000,000 in ad support. In 1978 alone, Beecham supported the brand in test market with $2,808,500 in measured media ad spending, including $2,584,800 in spot tv.

The introduction prompted what some industry observers viewed as a response from Procter & Gamble's Gleem, which came out at the same time with a campaign that conveyed a new message. Furthermore, the introduction was expected to affect the swapping of positions that has been going on for some time between Colgate-Palmolive and Lever Bros.

■ Among Beecham's consumer products, meanwhile, those reportedly displaying the best performance in the U.S. included Sucrets throat lozenges, Cling Free fabric conditioner, Massengill disposable douche, Calgon water conditioner, Lancaster cosmetics and Vitabath bath gelee.

Cling Free, a former Merck & Co. product, received the most measured media support, with $6,153,400 spent in all—$3,000 in magazines, $6,021,700 in network tv and $128,700 in spot tv.

The family of products that received the most combined support turned out to be the Calgon brand, which also came over in the Merck acquisition. Calgon water softener received $2,118,000, with $1,536,600 going to network tv and $581,400 to spot tv.

Calgon bath oil beads was close behind with $1,741,500, most of which, $1,690,500, went to network tv. Calgonite dishwasher detergent accounted for $1,408,900, with $1,397,000 going to network tv and $11,900 to spot tv.

Other products that came over in the Merck deal also received a sizable chunk of ad support. Sucrets throat lozenges received $3,287,700, virtually all of it going into network tv. Hold—a brand that includes a cough drop and a liquid cough suppressant—got $2,369,100 in support, again most of it in network tv.

Massengill disposable douche also received more than $1,000,000 in support, in its case $3,733,900, with $414,300 going to magazines, $3,276,200 to network tv and $43,400 to spot tv. Massengill liquid and powder douche received considerably less.

Brylcreem, one of Beecham's anchor products, received $1,065,900 in support, including a $40,800 cash refund promotion that ran in magazines. The breakdown: Magazines, $107,800; network tv, $915,600, and spot tv, $42,500.

Other consumer products that received support, albeit at a lower level, included Fruit-Fresh food preservative, $601,200; 2nd Debut cosmetics, $298,600; Vitabath bath gelee, $179,500; Lancaster cosmetics, $74,500; Back to Basics liquid disposable douche, $41,200, and Selection Parfum, $13,800.

In agency news during the year, Beecham Cosmetics division shifted its Vitabath account from Dancer Fitzgerald Sample to Shaller Rubin Associates, thereby consolidating all of cosmetics accounts at the New York agency.

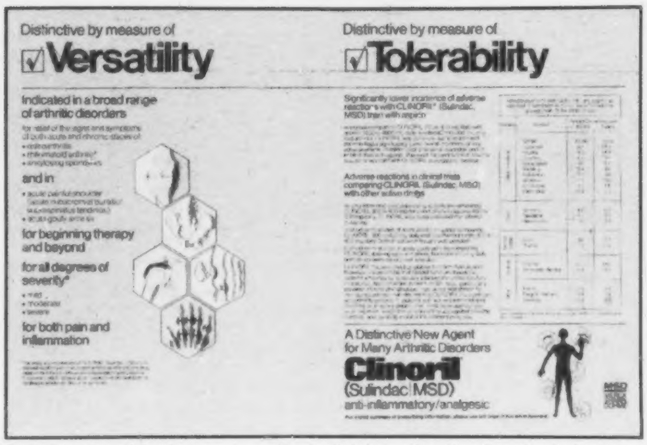
ADVERTISING EXPENDITURES

Newspapers	$189,700	$60,500
Magazines	1,090,300	1,820,000
Farm publications	353,500	—
Spot tv	3,886,300	3,771,100
Network tv	20,731,300	24,118,600
Spot radio	305,400	9,000
Total measured	26,556,500	29,779,200
Unmeasured	1,100,000	1,000,000
Total	27,656,500	30,779,200

BEECHAM PRODUCTS DIV.

MARKETING PERSONNEL

L.W. Wilde, vp-mktg



Distinctive by measure of

☑ Versatility

Indicated in a broad range of arthritic disorders

and in

for beginning therapy and beyond

for all degrees of severity*

for both pain and inflammation

Distinctive by measure of

☑ Tolerability

Significantly lower incidence of adverse reactions with CLINORIL* (Sulindac, MSD) than with aspirin

Adverse reactions in clinical trials comparing CLINORIL (Sulindac, MSD) with other active drugs

A Distinctive New Agent for Many Arthritic Disorders

Clinoril

(Sulindac | MSD)

anti-inflammatory/analgesic

Beecham's ethical pharmaceuticals division advertised such products as Clinoril arthritis medicine in trade magazine ads.

R.F. Creighton, vp-mktg services

R.M. Lancaster, vp-sales

BEECHAM COSMETICS DIV.

MARKETING PERSONNEL

J. Cohn, dir-mktg sales

D.J. Keenan, product mgr

C. Archer, field sales mgr

BEECHAM LABORATORIES DIV.

MARKETING PERSONNEL

M.M. Jones, vp-sales & mktg

P.A. Sells, veterinarian mktg mgr

T. Harrison, mktg mgr

T.G. Wood, sales director

ADVERTISING AGENCIES

Grey Advertising, New York—Sucrets, Hold, Calgon bath products, Aqua-fresh, Massengill, new products.

Cunningham & Walsh, New York—Calgon water conditioner, Calgonite, Cling Free, Macleans, Fruit-Fresh, Brylcreem, new products.

Shaller Rubin Associates, New York—Lancaster cosmetics, 2nd Debut, Vitabath.

Frank J. Corbett Inc., Chicago—ethical pharmaceuticals.

Charles Tombras & Associates, Knoxville—veterinary pharmaceuticals.

Borden Inc.

	1978	1977
Sales	$3,802,559,000	$3,481,278,000
Earnings	135,827,000	126,870,000
Advertising*	50,000,000	59,340,700

***U.S., estimated by AA**

Borden Inc., Columbus, O., the 74th largest U.S. advertiser, reduced advertising expenditures about 16% in 1978 to an estimated $50,000,000, down from about $59,340,700 the previous year.

Sales increased to $3.8 billion in 1978, a 9.2% increase over 1977's record $3,481,278,000. Net income increased 7% to $135,827,000 from the previous high of $126,870,000 in 1977. Net income was reduced by net foreign exchange losses of $7,700,000 in 1978 and by $4,200,000 in 1977.

Of the four Borden divisions, foods and dairy and services each contributed 28% of the company's sales. The chemical division contributed 24% and the international division, including exports, provided 20%.

■ The food division's sales improved 3.9% in 1978, totaling $1,067,836,000. Divisional operating income increased 6.9%. Increased sales volume is attributed mainly to the cheese, confectionery, snacks and some grocery products.

An increase in dollar sales was offset somewhat by lower volume in soft drink mixes, the result of continued intense competition and the disposition of the division's canning operations.

Sales by the dairy and services division increased 8% over 1977 and operating income showed a 3.1% hike. According to the company, the sales gain is the result of higher selling prices on slightly higher volume of fluid milk, fruit beverages, cream and some specialty operations.

A 5.4% sales increase was recorded for the chemical division, though operating income decreased 6.6%. On Dec. 31, 1978, the chemical division withdrew from the home insulation market, but whatever impact this may have is not reflected in the 1978 figures.

The international division recorded a 26.1% sales increase in 1977 and a 12.4% increase in operating income. The division's food segment operations were hurt by a European surplus of cheese and the weakness of the U.S. dollar.

■ In the grocery products group of the foods division, the company credits three factors for the improved performance of Wyler's drink mixes after the severely depressed activity of the previous year: Revamped advertising and promotion, cost savings within the operation and consolidation of marketing and sales activities. In 1978, the Wyler's brand was supported by tv advertising featuring country singer Roy Clark. With its market share slipping significantly in the past few years, Wyler's now has about an 8.8% market share.

Borden spent more on advertising Wyler's drink mixes in measured media than on advertising for any of its other products. The entire $5,103,000 for drink mix advertising was spent on commercials for tv, primarily network tv.

Calling Wyler's "The thirst-quenchingest, great-tastingest new soft drink around," the company launched its canned ready-to-drink lemonade in Indianapolis and Minneapolis on May 15, 1978. A total of $139,600 was spent on spot tv to support the product. Aimed at heavy soft drinkers, the 1978 advertising theme was "Lemonade lovers, you'll love Wyler's ready-made."

■ Borden expanded its involvement in beverages with the introduction of canned yogurt shakes in several western states and glass-packed fruit drinks (under its Bama brand) in south and southeast markets.

Coupon newspaper ads offered 30¢ off when consumers purchased four cans of the new yogurt shakes in any of four flavors: Strawberry, raspberry, blueberry and orange. The company spent $39,000 advertising the new yogurt shakes in consumer magazines ($34,800) and on spot tv ($4,200).

Eagle Brand sweetened condensed milk, the company's original product, "had its best year ever," according to the company, due to repositioning as a conventional dessert starter. Of the $2,373,900 spent on advertising Eagle Brand last year, $1,641,600 went to network tv and the rest was split between consumer magazines and spot tv.

ReaLemon reconstituted lemon juice showed improved sales volume, receiving $18,200 worth of measured media advertising in spot tv and newspaper supplements. It also was advertised in conjunction with Wyler's instant bouillon and ReaLemon powdered lemon drink mix.

A Federal Trade Commission challenge to the ReaLemon trademark fell through in November when the commission rejected a contention that only trademark licensing would end ReaLemon's monopoly position in its market. The commission did uphold a 1976 finding that Borden illegally tried to maintain ReaLemon's market position by offering more generous trade allowances in geographically targeted markets in order to regain market share lost to new rival brands.

Borden has appealed the unfavorable portion of the finding to the U.S. circuit court.

■ In the confectionery group, Cracker Jack was supported by $2,090,900 on network tv, primarily, and spot tv. Improving both its dollar sales and tonnage, Cracker Jack "benefited substantially from a new advertising campaign, consumer promotions and a national rollout of a foil bag line marketed through snack distributors," according to the company.

Of the company's cheese products, Lite-line low-calorie cheese received the most advertising support with a total of $3,089,700 in measured media. Concentrating on network tv ($2,749,100), the company also purchased space in consumer magazines ($303,400) and time on spot tv ($37,200). It is now rolling out Skim-American low-fat cheese products.

The dairy and services division last year introduced a new line of All Natural ice cream products and rolled out Lite-line Swiss-style yogurt to Rochester, Syracuse and Buffalo, N.Y., as well as Baltimore.

After three years' involvement, the division withdrew from the home insulation market after its foam-in-place insulating product, made from urea formaldehyde combined with a catalyst, received extensive unfavorable publicity about health hazards associated with its use. The company termed the charges "unsupported."

The division's Krylon spray paints benefited from ad support totalling $1,303,600. Most of the money ($1,281,500) was spent on network tv and emphasized the product's no-drip feature.

This year, Borden has said it is determined to secure the No. 1 position in the instant glue category. The company plans to spend $2,000,000 on an advertising program designed to push its product, Wonder Bond, to the top of the heap. Krazy Glue currently is believed to hold the No. 1 spot with more than a 30% share.

Ads by Conahay & Lyon are imploring Wonder Bond consumers to "Stick with a name you can trust." Last year, $352,700 was spent in measured media, mainly network tv, to advertise Wonder Bond.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$4,685,500	$4,197,300
Magazines	3,320,400	3,935,700
Farm publications	299,800	263,800
Spot tv	10,613,200	17,425,300
Network tv	13,110,200	12,466,400
Spot radio	3,994,000	4,015,000
Network radio	410,100	419,900
Outdoor	35,200	517,300
Total measured	36,468,400	43,240,700
Unmeasured	13,531,600	16,100,000
Estimated total	50,000,000	59,340,700

FOODS DIVISION

MARKETING PERSONNEL

James Milligan, president

Jack Byrd, exec vp

John Nugent, vp, mktg

Lee Arst, vp-mktg, cheese div

Dick Ball[illegible], vp-mktg, confectionery div

Vince Bari[illegible], vp-sales & mktg, snacks

Ron Kess[illegible]man, vp-mktg, grocery products div

Dick Bucher, vp-sales & mktg, bakery div

Rod Russell, director, mktg rsch

Sewall Sawyer, director, media

ADVERTISING AGENCIES

Ted Bates & Co., New York—Bama Foods, Kava instant coffee, None Such mincemeat, Wyler's bouillon and soup mixes, instant potatoes, frosted drinks, egg nog, Instant Breakfast drink, Borden Prize drink mix, ReaLemon, Sacramento Foods, Snow Food products, Wyler's drink mixes—Tom De Vito, mgmt rep.

Grey Advertising, New York—Cremora coffee lightener, Eagle condensed milk, cheese products, Cracker Jack, Flavor House nuts, Deran candies—Stewart Hegleman, mgmt super.

Bozell & Jacobs, New York—Drake Bakeries, Wise snacks, Old London snacks—Paul Tully, mgmt super.

Al Paul Lefton Co., New York—military sales—Harry Reingold, mgmt super.

Norman Malone Associates, Akron—specialty cheese products—W. C. Sandwick, acct super.

CHEMICAL DIVISION

MARKETING PERSONNEL

R. W. Gutheil, president
H. J. McCormick, adv director
T. O. Doggett, group vp, consumer products
H. J. McCormick, gen mgr, consumer products
David Gordon, vp-mktg, Columbus Coated Fabrics, industrial and automotive
R. T. Paul, vp-mktg, Columbus Coated Fabrics, wall coverings
Richard Lockman, president, cosmetics & toiletries
C. C. Braun, president, Smith-Douglas' agrichemicals
C. A. Matzen, genl mgr, molded products

ADVERTISING AGENCIES

Conahay & Lyon, New York—Elmer's adhesives, Krylon aerosol products, Lustro-Ware household products, Mystik tape, Wall-Tex wall coverings—T. O'Connor, acct super.

Al Paul Lefton Co., New York—Jean Patou's Joy, Caline Moment Supreme perfumes—Bill Wolfston, acct super.

Chesapeake Advertising, Norfolk, Va.—Smith-Douglass fertilizers, agricultural chemicals—R. L. Stiffler, acct super.

Lord, Sullivan, Yoder, Marion, O.—Columbus Coated Fabrics industrial film products—Bob Sullivan, acct super.

DAIRY & SERVICES DIVISION

MARKETING PERSONNEL

Marvin J. Herb, president
Thomas Hagerty, vp-mktg
Don Lewis, mktg mgr, milk products
Charles Craft, mktg mgr, ice cream products
John Rutan, mktg mgr, cultured products
Bill Webb, vp, natl accts
G. Castellani, director, packaging

ADVERTISING AGENCIES

Della Femina, Travisano & Partners, New York—ice cream and milk products—David Brown, acct super.

Ruben, Montgomery & Associates, Indianapolis—Pepsi-Cola Bottling Co., Indianapolis—Robert Montgomery, acct super.

Bristol-Myers

	1978	1977
Sales	$2,450,429,000	$2,233,716,000
Earnings*	203,048,000	177,688,000
Advertising**	192,850,000	203,000,000

*Worldwide
**U.S. Only; AA estimate

1978 AD $ SUMMARY

See page 137

LNA

Create some creamy lemon meringue magic
The easy, no-cook way
Creamy Lemon Meringue Pie

Borden's Eagle Brand sweetened condensed milk, which reportedly had its "best year ever," was promoted with recipe ads.

Bristol-Myers Co., New York, the 9th largest national advertiser, is estimated to have decreased its U.S. advertising budget 5% to $192,850,000 in 1978.

The company reported worldwide advertising and product promotion expenses of $432,924,217, up 4% from 1977's $406,000,000. This represented 17.3% of total 1978 sales, compared with 18.3% in 1977.

For the first half of 1979, B-M reported sales of $1.3 billion, up 12% from a year earlier, while net earnings increased 14% to $102,827,000. Heavy advertising expenses in the first half caused earnings to trail year earlier results.

Sales in 1978 rose 9.7%, and earnings 14%. Gains in both sales and earnings came from the pharmaceutical and medical products, toiletry and beauty aids, and household products segments; earnings in the nonprescription health product division decreased slightly in 1978 because of the substantial earnings decline of Westwood Pharmaceuticals.

- Total sales for the main consumer products units—Bristol-Myers Products, Drackett Co. and Clairol—were $1.6 billion, up 6% from 1977. This represented 66% of total B-M sales. These units also provided $264,202,000 of the company's total profits, a 1% increase over 1977.

Domestic measured media expenditures were down $8,155,900 to $155,944,900. This was a 5% decrease from last year's total support of $164,100,800.

Newspapers showed the greatest decline, from $2,970,500 in 1977 to $762,400 in 1978. Network tv spending fell 3.5% to $110,341,400.

- In 1978, B-M's Clairol hair color products continued to remain on top of this $400,000,000 U.S. retail field, holding a market share of over 50%.

The Clairol beauty products division received ad support totaling $43,150,400, primarily in network television. Clairesse hair color had the largest budget, $6,175,400, of which $4,345,300 went to network tv, $951,800 to spot tv and $776,200 to magazines.

Other heavily advertised products included Clairol Final Net Invisible Hair Net, which received $5,531,500, again mostly in network tv; Herbal Essence shampoo, which was allotted $5,725,100; Loving Care hair color lotion, which was supported by $4,410,500, and Nice 'N Easy hair color, the recipient of $4,511,900.

New Clairol product introductions in 1978 included Clairol Condition shampoo, whose budget of $2,903,200 was divided between network tv, with $2,873,300, and spot tv, which received $119,900.

Clairol Condition Beauty Pack Treatment, also a new product, was supported by $1,734,400, with magazines receiving $875,700, network tv $749,900, and spot tv, $108,800.

- The Clairol appliance division set new records in sales and earnings in 1978, as hairsetters retained their position as the division's leading personal care appliance.

One for the Road, a fold-up travel hairdryer, was a new introduction; the Foot Fixer, introduced in 1977, also grew rapidly, with increased public interest in active sports participation.

Ad support for the division totaled $8,821,900; network and spot tv received the bulk of the budget. The Crazy Curl Hair Styler was allotted $1,254,300—$752,800 to network television, $501,500 in spot tv.

The True-to-Light mirror was also heavily promoted, with $535,400 going to spot tv and $372,400 to women's magazines. Women's magazines received $805,200 in a Clairol beauty appliance campaign.

- In the Bristol-Myers' products division, Ban, Ultra Ban, Ban Basic and Tickle continued to hold approximately 20% of the highly competitive U.S. deodorant/antiperspirant market, as the overall share of all aerosol products in the market plunged from 80% to 40%.

Ban deodorants and antiperspirants received total support of $8,688,000; Ban Roll-on deodorant was the largest recipient, with $7,272,300, of which $6,819,200 went to network television.

Tickle, another roll-on deodorant marketed as an alternative to aerosols, was allotted $5,082,200, primarily in network television, while the Ultra Ban line received $2,391,800.

New product introductions were Ban Super Solid, a stick deodorant that was supported by $376,800, all in magazines, and Ban Big Ball roll-on.

- B-M's Bufferin continued to hold 10% of the $750,000,000 U.S. analgesic market, followed by B-M's Excedrin, which captured 8%. The leading product in this category was Johnson & Johnson's Tylenol, which had 20% of the market; American Home Products' Anacin held 13%, and Sterling's Bayer 10%.

Bufferin's ad budget included $13,866,900 allotted to Bufferin tablets, of which $12,030,700 went to network television; $201,800, all in magazines, for Bufferin & Arthritis Strength Bufferin tablets, and $1,500, all in spot television, for Bufferin cold tablets.

Excedrin tablets received $10,456,700, mostly in network television; Excedrin PM tablets got $3,714,100, again mostly in network tv, and Excedrin X Aspirin Free tablets received $279,800, all in spot tv.

B-M's new introduction in the analgesic category was Comtrex, a cough and cold remedy that combines a decongestant, analgesic, cough suppressant and antihistamine.

Positioned as a cold reliever competitive with Bayer, AHP's Dristan, and SmithKline's Contac, Comtrex received support of $5,763,200—$5,420,200 to network tv, $267,300 to magazines, the remainder to newspapers and spot television.

- Other B-M products with major ad support were the Vitalis hair preparation line, which received $3,049,600, mostly in network television; Body-On-Tap Beer Enriched shampoo, a new introduction that was allotted $5,727,000, of which $5,354,900 went to network tv, the rest to spot tv and 4-way nasal sprays, given $2,473,100, again mostly in network television.

In 1978 B-M's Drackett products achieved new sales records, led by Windex window cleaner, Renuzit air freshener and the O-Cedar line of brooms and mops. Windex's budget was $4,212,100, of which $2,857,500 went to network tv, $851,900 to magazines and $502,700 to spot tv; O-Cedar products received $1,569,000.

Vanish toilet bowl cleaners were allotted a total of $5,377,900; Drano drain openers got $4,480,400; Endust spray was budgeted at $2,178,300, and Behold furniture polish received $2,347,300. For all four lines, network tv was the major ad medium.

To compete against AHP's Woolite, B-M introduced Handle with Care special care wash to its Miracle White line. Advertising, which stressed the product's built-in fabric softener, totaled $2,900,900. Of this, $2,090,600 went to network tv, $406,600 to magazines, $355,600 to spot tv and $68,100 to newspaper supplements. Other Miracle White products received support of $2,614,900.

- The Nutrament line was backed by $144,300, and the Weight Watchers frozen desserts and fruit snacks received $408,100.

Westwood's Keri Lotion and Alpha Keri Bath Oil had ad support of $1,146,600; its acne product Fostex had a budget of $56,000; PreSun and PostSun suntan products received $199,000, and Piz Buin suntan Lotion got $287,600. Magazines were the only medium for all Westwood products.

NEWSPAPER DATA

National newspaper advertising investments were supplied by Media Records. Reproduction of this data without written permission is prohibited.

Newspaper brand data for the top 100 newspaper advertisers and for companies with newspaper investments of $10,000 or more are available from Media Records, 370 Seventh Ave., New York 10001 (212) 736-7490.

In the Mead Johnson nutritional division, the position of the Vi-Sol and Vi-Flor line of pediatric vitamins improved, as did the position of the milk-free formula ProSobee. Enfamil infant formula, backed by $26,200, all in magazines, remained strong.

- Bristol Laboratories' hospital antibiotics, Amikin and Cefadyl, showed substantial sales increases in 1978. The division introduced Stadol, an injectible potent analgesic, into the $65,000,000 pain reliever market. Unlike other pain relievers such as morphine and Sterling Drug's Demerol, Stadol claims to be nonnarcotic. Stadol's introduction is considered an indication of B-M's intent to broaden its ethical drug base.

Young & Rubicam's resignation of $30,000,000 worth of Bristol-Myers billings in May, 1979, triggered some major agency realignments.

The company added four new agencies to its roster and gave more business to Needham, Harper & Steers, Grey Advertising and Daniel & Charles. Newcomers were: Kenyon & Eckhardt, for the $10,000,000 Excedrin account; Marschalk Co., Endust, billing $2,200,000; James Jordan Inc., getting $2,000,000 for Renuzit, and Lois, Pitts, Gershon, awarded the $3,000,000 Vitalis account. Assignments were for creative only; Boclaro handles buying.

Advertising Expenditures

	1978	1977
Newspapers	$762,400	$2,970,500
Magazines	23,761,500	23,316,200
Spot tv	17,073,600	18,952,700
Network tv	110,341,400	114,414,700
Spot radio	4,006,000	4,432,000
Outdoor	———	14,700
Total measured	155,944,900	164,100,800
Unmeasured	36,905,100	38,899,200
Estimated total	192,850,000	203,000,000

CORPORATE MARKETING PERSONNEL

Marvin Koslow, vp-mktg services
Harry Levine, vp-corp communications

BOCLARO MEDIA BUYING UNIT

Robert L. Turner, director-media & programing services
Santo A. Critelli, director
Marion A. Klein, director, corp rsch services
William Liptack, Leo Hofmann, Alan Yoblon, associate directors
Richard Tulimieri, Jack Sinnott, mgrs

BRISTOL-MYERS PRODUCTS DIVISION

MARKETING PERSONNEL

Frank K. Mayers, president
Robert P. Viarengo, senior vp
Peter D. Orahovats, vp, scientific
Walter R. McCurdy, vp, sales
John J. Sheedy, vp, mktg
Nicholas Cannistraro Jr.; director, new products
Melvin D. Harbinger, mktg. rsch director
Edward J. Meyer, vp, product mgmt, personal care
Joseph J. Morano, director, sales promo/merch
David Ruckert, vp, product mgmt/health care

ADVERTISING AGENCIES

Needham, Harper & Steers, New York—4-Way nasal spray, Congespirin cold tablets and cough syrup for children, NoDoz—Walter Granville-Smith, mgmt super; Robert Speed, senior acct exec.

Ted Bates & Co., New York—Bufferin, Arthritis Strength Bufferin, Datril—Mel Elbaum, exec vp; Richard Mullan, mgmt rep; Richard Sawyer, acct director; Greg Brauer, acct super; Rick Lussen, acct exec.

Daniel & Charles, New York—Ban line, Ultra Ban roll-on, Ultra Ban II, Excedrin PM, Comtrex, Mum, Ammens, Ban Super Solid—Martin Smith, exec vp; George Biava, acct su-

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per; Bonnie Piven, acct exec; Larry Tolchin, acct super.

Doyle Dane Bernbach, New York—Tickle—John Leonard, mgmt super; Beverly Zigahn, acct super; Phyllis Califano, acct exec.

Polykoff Advertising, New York—Body-on-Tap—Al Lowan, mktg super.

Lois, Pitts, Gershon, New York—Vitalis line—Patrick Dolan, mgmt super; George Lois, creative.

Kenyon & Eckhardt, New York—Excedrin—William Young, mgmt super; Christine Hoene, acct super.

CLAIROL

MARKETING PERSONNEL

Donald J. Shea, president, Clairol products div
C. Benjamin Brooks, president, Clairol appliance div
Peter Spengler, senior vp, appliances
Robert Oppenheim, president, Clairol salon div
David M. Egbert, director, mktg/salon div
Stanley H. Filmer, director mktg services/Clairol Canada
Mary Grace Hannon, director, mkt planning/rsch
Thomas L. Hogan, senior director, adv develop hair color, toiletries
William R. Jones, director, purchasing/packaging services
Harold T. McMenamin, senior director, mktg services
Jack Shor, vp, pr
Susan J. Taylor, vp-mktg, Clairol appliance div

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Nice'n Easy, Naturally Blonde, Born Blonde, Touch of Yogurt, Quiet Touch, Gentle Lights, Final Net, Pssst—John Leonard, group senior vp; Dean Proctor, Bill Abrams, mgmt supers.

Foote, Cone & Belding, New York—Balsam Color, corporate hair coloring, Frost & Tip, Clair Mist, Lady Clairol, Loving Care lotion and foam, Miss Clairol, Silk & Silver, Sunshine Harvest shampoo, Long & Silky—Alan Klein, mgmt super; Margie Altschuler, Joseph Froschl, acct supers.

Ogilvy & Mather, New York—Condition*, Condition*shampoo, Condition*II—John Blaney, senior vp; Shelly Lazarus, mgmt super.

Wyse Advertising, New York—Herbal Essence bath line—Lois Wyse, president; Tom Kirmeyer, acct super.

DRACKETT CO.

MARKETING PERSONNEL

Nicholas M. Evans, president
W.J. Larson, exec vp
A. H. Naylor, vp, sales
J. R. Hughes, vp, mktg
C. R. Paulsen, mktg director
J. N. Green, mktg director
C. G. Brown, director, mktg mgmt services
R. Jay Uhlmansick, director, adv services
Bruce Bye, new products devel director

ADVERTISING AGENCIES

James Jordan Inc., New York—Renuzit—Sys Morch, mgmt super.

Grey Advertising, New York—Windex, Behold, Drano, Vanish—Hugh Busby, acct super; Dave Amedur, acct exec.

Marschalk Co., New York—Handle With Care, Endust.

Needham, Harper & Steers, New York—Nutrament—Walter Granville Smith, senior mgmt rep.

Arthur E. Wilk Advertising, Chicago—O-Cedar handles, Scrubbee pads, Twinkle—Jim Ruther, acct super.

MEAD JOHNSON & CO.

MARKETING PERSONNEL

Wayne A. Davidson, President

MEAD JOHNSON NUTRITIONAL DIVISION

W. Richard Kern, president
Winthrop W. Hamilton, vp, nutritional mktg
Donald E. Leslie, vp, mktg services
William R. Pierrot, adv director

MEAD JOHNSON PHARMACEUTICAL DIVISION

Donald G. Harris, president
Fred M. Brubaker, vp, pharmaceutical mktg
Kenneth J. Quakkelaar, vp, mktg services
James R. Garvey, adv mgr

ADVERTISING AGENCIES

Robert A. Becker Inc., New York—ethical products—Raymond Perry, acct super.

Lavey/Wolff/Swift, New York—pharmaceutical products—Charles Rockefeller, acct super.

Daniel & Charles, New York—infant formula—Ira Wacks, acct super.

BRISTOL LABORATORIES

MARKETING PERSONNEL

Julius L. Pericola, president
Gary P. Gibson, director, mktg
Alan R. Fox, director, product group
Roy S. Bernardi, mgr, adv/promo services
Marvin C. Lemons, vp, sales
Mark B. Skaletsky, mgr, business rsch
Jeffrey B. Marsh, director, new business devel
J.J. McAuliffe, genl mgr, vet operations

ADVERTISING AGENCIES

Sudler & Hennessey, New York—Amikin, Blenoxane, BiCNU, CeeNu, Multamycin, Cefadyl, Salutensin—William Gibson, acct super, Leon Gamza, acct exec.

Sieber & McIntyre, Chicago—Polymox, Tegopen—Don Phillips, acct exec.

MedCom Inc., New York—Walt Landers, acct exec.

WESTWOOD PHARMACEUTICALS

MARKETING PERSONNEL

Frank R. Nero, president
Harland A. Wyvell, director, sales
Thomas K. Garver, director, mktg

ADVERTISING AGENCIES

Frank J. Corbett Inc., Chicago—Alpha Keri, Fostex, Sebulex, Keri lotion, Pernox, PreSun, Westcort and pharmaceuticals to physicians—Frank J. Corbett, Thomas Deasy, acct supers; Jim Germick, acct exec.

Stern Walters/Earle Ludgin, Chicago—Alpha Keri, Fostex, Sebulex, Keri lotion, PreSun-otc—Bud Davis, acct super; Sue German, acct exec.

Renning, Kuryla, Leiberman, Flynn, New York—Piz Buin line, special assignments—Al Lieberman, acct super.

PELTON & CRANE

MARKETING PERSONNEL

Kenneth R. Ferguson Jr., president
Charles G. Halgren, sales/mktg mgr

ZIMMER USA

MARKETING PERSONNEL

Thomas H. Hughes, president
Phillip K. Cornett, vp-mktg
Geoffrey C. Cross, vp-mktg services

INTERNATIONAL MARKETING

Flavio Tomassini, president

Top 25 newspaper advertisers

Rank	Advertiser	Expenditures 1978	Expenditures 1977
1	R. J. Reynolds Industries	$61,093,436	$59,044,744
2	Philip Morris Co.	52,013,737	53,123,344
3	General Motors Corp.	46,702,868	47,504,892
4	Ford Motor Co.	27,209,744	26,835,644
5	Loews Corp.	26,666,500	21,297,842
6	RCA Corp.	19,143,498	14,343,428
7	Liggett Group	18,994,769	23,602,343
8	American Brands	18,355,332	22,317,693
9	British American Tobacco Co. Ltd.	16,532,063	24,366,123
10	Delta Air Lines	16,156,072	14,900,638
11	Chrysler Corp.	15,819,958	15,831,795
12	CBS Inc.	14,842,633	12,193,691
13	Film Corp. of America	14,818,197	3,061,544
14	UAL Inc.	13,363,724	8,029,947
15	American Telephone & Telegraph Co.	12,090,295	9,966,492
16	Eastern Air Lines	11,277,369	11,796,341
17	Trans World Airlines	11,224,416	12,515,124
18	American Airlines	10,279,021	11,888,719
19	ABC Inc.	10,167,481	5,706,403
20	General Electric Co.	9,002,571	8,265,489
21	Procter & Gamble Co.	8,559,445	5,830,380
22	Toyota Motor Co., Ltd.	8,367,152	6,160,452
23	General Foods Corp.	8,240,943	6,271,297
24	Seagram Co. Ltd.	8,031,583	7,027,166
25	American Motors Corp.	7,666,877	7,106,961

Source: Media Records.

Brown-Forman Distillers Corp.

	1978	1977
Sales	**$560,000,000**†	**$457,000,000**
Earnings	**40,100,000**†	**31,250,000**
Advertising*	**35,000,000**	**27,500,000**

†Fiscal year ended April 30, 1979
***AA estimate**

Brown-Forman Distillers Corp., Louisville, the 88th largest national advertiser, increased its advertising to an estimated $35,000,000 in 1978, up about 27% over the estimated 1977 investment of $27,500,000. The company said it spent $38,000,000 in fiscal 1979 and reported that ad expenditures would increase 32% in the current fiscal year, to $50,000,000.

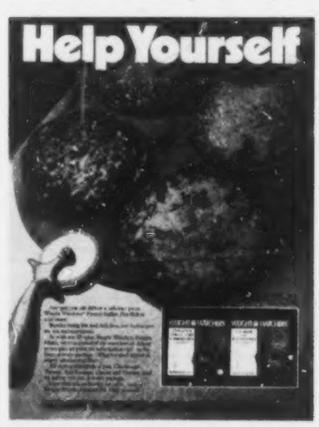
Sales for fiscal 1979 came to $560,000,000, exceeding the half-billion dollar level for the first time and bettering the 1978 mark, $457,000,000, by 22%. Earnings of $40,100,000 also topped the previous high, set in 1978, of $31,250,000.

The company, marking its 110th year in 1980, is the nation's leading independent and family-managed distiller (the Brown family owns the majority of the company's stock and the company's only product is alcoholic beverages).

■ Brown-Forman's purchase in March, 1979, of Southern Comfort Corp., St. Louis, will be a significant factor in boosting the distiller's advertising outlay.

Southern Comfort, which represents all of that company's volume, is currently selling at the rate of 1,700,000 cases annually, ranking it among the top 35 best-selling liquor items in the U.S., according to a *Business Week* survey conducted this year.

Brown-Forman's advertising figure for fiscal 1979 takes into account March and April, 1979, expenditures of the brand.



Bristol-Myers' Weight Watchers frozen desserts and fruit snacks were supported by $408,100 in measured media in 1978.

After B-F's purchase, strategy for the Southern Comfort brand "basically stayed the same as it had been," according to Bill Cosher, account exec on the brand at Krupnick & Associates, St. Louis, which has handled Southern Comfort for the last 15 years.

That program consists mainly of booklet inserts containing mixed drink recipes and one-page, four-color magazine ads. Both booklet and ads are placed in Sunday supplements and major national publications including *Time*, *Newsweek*, *Sports Illustrated*, *Playboy*, *Penthouse* and *Ski*.

Each of the distiller's three product categories posted net sales gains in fiscal 1979: American spirits rose 15%; imported spirits gained 16%, and wines and specialties moved ahead 59%. Reflecting the changing character of the industry, B-F's combined imported spirits and wines and specialties categories accounted for 50% of the year's total sales.

In addition to Southern Comfort, seven of the company's major labels each sold over 500,000 cases on an annual basis: Jack Daniel's Black Label (whisky) 2,300,000 cases; Old Forester (Kentucky bourbon whisky) 790,000; Early Times (Kentucky bourbon whiskey) 1,900,000; Canadian Mist (Canadian whisky) 2,400,000; Bolla (Italian wines) 1,300,000; Cella (Italian wines) 1,500,000, and Korbel (California champagnes and brandy) 600,000.

The purchase of Southern Comfort notwithstanding, the most significant marketing event of the year was an internal executive shift that saw William Street succeed Roger Coleman (who is set to retire this fall) as president of B-F Spirits, the company-owned marketing division. Replacing Mr. Street as board chairman and ceo of Garneau was William R. Carroll, formerly B-F Spirits, national sales director.

Tv advertising in excess of $5 000,000 supported Cella, the company's fastest-growing label, which includes Lambrusco and the companion white Bianco. The Bolla label also was heavily supported, with network and spot tv investments together of nearly $4,000,000. Manoff Geers Gross, New York, handles both.

Canadian Mist, the largest selling brand in B-F's imported spirits category, achieved a record volume of 2,400,000 cases, aided by heavy magazine and outdoor backing (McCann-Erickson is the agency).

■ "Quality bourbon, like great wine, is made naturally" was the theme of the company's new campaign for Old Forester. The heavy print drive, launched in November by DKG, New York, was aimed at 25-to-49-year-old males. The push ran through December in 15 magazines and newspapers and outdoor in 139 markets.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	**$2,036,300**	**$2,596,600**
Magazines	**8,334,800**	**6,931,300**
Spot tv	**2,848,700**	**1,572,000**
Network tv	**4,888,900**	**1,286,200**
Outdoor	**3,524,600**	**3,065,500**
Total measured	**21,633,300**	**15,451,600**
Unmeasured	**13,366,700**	**12,048,400**
Estimated total	**35,000,000**	**27,500,000**

MARKETING PERSONNEL

B-F Spirits Ltd.

Roger M. Coleman, chairman
William M. Street, president
Kenneth W. Wright, exec vp

Jos. Garneau Co.

William R. Carroll, chairman & ceo
Mason L. Tush, president
Charles J. Davis, senior vp

Jack Daniel Distillery

Martin S. Brown, president & ceo
Arthur S. Hancock, exec vp
David J. Mahanes, exec vp

Brown-Forman International Ltd.

Robert G. O'Brien, president

ADVERTISING AGENCIES

McCann-Erickson, New York—Canadian Mist, Early Times. Frank Perkins, mgmt super; Howard Ziff, acct super; Richard Chapman (Canadian Mist), Helen Runsdorf (Early Times), acct execs.

DKG, New York—Old Forester, Usher's Green Stripe, Pepe Lopez, Old Bushmills. Eleanor Holtzman, mgmt super. Jeff Hirsch (Old Forester, Old Bushmills), Josh Martin (Usher's, Pepe Lopez), acct execs.

Manoff Geers Gross, New York—Bolla, Cella, Martell, Ambassador, Noilly Prat, Anheuser, Cruse, Veure Clicquot. Peter Barnes, mgmt super; Andrew Watson (Bolla), Kenneth Heidelberg (Cella), Samuel Borwick (others), acct supers.

Krupnick & Associates, St. Louis—Southern Comfort. Ray Armbruster, mgmt super; Bill Cosher, acct super.

Gardner Advertising, St. Louis—Jack Daniel's (creative).

CBS Inc.

	1978	1977
Sales	**$3,290,052,000**	**$2,826,313,000**
Earnings	**198,079,000**	**182,008,000**
Advertising	**122,322,000**	**96,372,000**

CBS Inc., New York, the country's 30th largest advertiser boosted ad expenditures 27% in 1978 for a total domestic outlay of $122,322,000. A sizable amount of the increase went to newspaper ads designed to improve the CBS-TV Network's standing in the Nielsen race.

The communications company's revenues passed $3 billion for the first time—a mere two years after they had reached the $2 billion mark. Total sales climbed 16% to $3.29 billion while earnings rose 9% to $198,079,000. Domestic revenues hit $2.79 billion, for a gain of 15%, with profits up 6%.

Strongest gains were registered abroad with foreign sales up 22% to $429,300,000; earnings on those sales zoomed ahead 25% to $71,200,000.

■ Financially speaking, 1979 did not start happily for the folks at Black Rock. First quarter sales rose 11% to $828,732,000, but earnings plummeted 47% to $17,800,000. CBS president John Backe blamed this unpleasant turn of events on the sluggish audio record market and on sharply rising costs for network tv programing.

As predicted within CBS Inc., there was a turnaround in the second quarter where revenues, earnings and earnings per share hit new records. Net income rose 11% to $65,800,000 on revenues of $913,800,000—a 22% gain over second quarter 1978 revenues. But profits for the first half of '79 dropped 10% due to the sharp first quarter dip.

Broadcasting—especially tv—as the foundation of this company provides by far the largest share of its revenues and profits. The CBS/Broadcast Group in 1978 made $225,700,000 on revenues of $1,327,500,000.

Major promotion, advertising and marketing attention in this group was directed toward trying to get the CBS-TV Network back into the No. 1 position in prime time.

ABC has pretty much monopolized the top spot for several years and the dominance is beginning to show—to show to CBS' disadvantage—in terms of total sales, pricing levels and network profits.

An edge of a single prime time rating point now is worth about $30,000,000 annually. By late spring and early summer, CBS had tightened the race enough to move ahead on an occasional week, but the fall race with the matching of ABC's heavyweights against a raft of CBS and NBC newcomers is what everyone is waiting for.

The broadcast group depends heavily on print to get its message across both to viewers and advertisers. The main vehicle for the networks and the owned stations is newspapers, which by CBS' calculations were in for nearly $45,000,000 in the budget last year. The mix also includes consumer magazines and business publications.

Second to broadcast as a revenue and profit producer is the CBS/Record Group, which weighed in last year with $946,500.000 in sales and $93,800,000 in profits. Then came 1979 and the impact of industrywide troubles in the recording field which hit hard at CBS. Those troubles apparently consisted mainly of fewer hits for Columbia stars and less manufacturing work assigned to CBS by other labels.

In the second quarter of 1979, things improved considerably thanks to Wings, Earth, Wind & Fire, Electric Light Orchestra and Cheap Trick. At one point Columbia held eight of the top 25 spots on the national radio charts.

Exact spending for the Columbia and Epic labels is hard to trace in the measured media reports where they show up with about $4,000,000 in tv money. In market share, Warner and CBS are vying for first place.

The big advertising spender in this corporate family is the CBS/-

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MARKETING PROFILES

olumbia Group, which includes he Columbia Record & Tape Club, elf-proclaimed as the "largest mail rder distributor of recorded muic in the world." Its profits for '78 vere $33,600,000 on revenues of 598,900,000.

The club spent nearly $20,000,000 n measured media in 1978—8,793,000 in magazines, $6,275,400 n newspaper supplements and 4,616,700 in spot tv.

The toy division operates within nis group; its most heavily pronoted item, judging from the ublished figures, was the Gabriel ames and toys line. Gabriel was acked up by nearly $3,000,000 in , about half of it in network.

The smallest member of the corborate family in revenues, but oming along fast partly as a result f the acquisition of Fawcett Publiations, is CBS/Publishing Group which boosted its profits 45% to 38,500,000 in '78 on a 10% sales hike which brought it to the 442,300,000 mark.

None of the highly successful perations of this group loomed arge in the measured media pending columns. However, Holt, inehart & Winston reported it old more elementary and high chool texts than ever despite a hrinking number of school-age ids. In the reading for fun cateory, Holt's best-sellers included dith Holden's "The Country Diry of an Edwardian Lady" and arry Trudeau's "Doonesbury's reatest Hits."

Female star of the consumer ublishing division remained *oman's Day*, as it set new records n advertising revenues with its irst 14th issue year.

The men's group was paced by *ield & Stream*, No. 1 with the outoors set. Similarly new sales ighs were chalked up by Fawcett aperbacks—Crest, Gold Medal nd Popular Library.

By mid-1979, this group had a new boss—John Suhler, who advanced from head of the consumer publishing division to succeed John Purcell, who moved up to No. in the corporate suite with the tile of exec vp, CBS Inc.

ADVERTISING EXPENDITURES *

	1978	1977
ewspapers	$14,842,600	$12,193,700
agazines	27,117,400	23,404,300
pot tv	13,422,100	10,346,400
etwork tv	2,461,000	——
pot radio	1,839,700	196,600
etwork radio	785,500	398,600
tdoor	670,900	572,100
Total measured ..	61,143,200	47,104,500
Unmeasured	61,178,800	49,267,500
Estimated	122,322,000	96,372,000

From AA's usual sources

ADVERTISING EXPENDITURES **

	1978	1977
ewspapers	$44,851,000	$25,576,000
agazines	23,331,000	22,465,000
usiness publications	3,934,000	3,414,000
pot tv	9,466,000	5,790,000
etwork tv	736,000	——
pot radio	14,620,000	12,938,000
etwork radio	76,000	20,000
oint of purchase.........	3,800,000	3,305,000
irect mail.	13,592,000	11,459,000
ther..............	6,231,000	11,405,000
Total	122,322,000	96,372,000

Domestic ad expenditures provided by CBS

CBS/BROADCAST GROUP
MARKETING PERSONNEL

uis Dorfsman, senior vp, creative director, mktg communications & design
rren Spellman, vp-mktg services & administration, mktg communications & design
mes Shumaker, director, adv operations, CBS & CBS-TV Stations div
omi Andrews, copy chief, CBS Radio
ane Dunn, director, adv operations, CBS Radio & CBS News
ed Andresakes, senior art director
ra Teichberg, art director

CBS TELEVISION NETWORK
MARKETING PERSONNEL

aul Isacsson, vp, sales
obert Bonagura, vp, business administration
erb Gross, vp, sales planning
erome Dominus, vp, natl sales mgr

CBS ENTERTAINMENT
MARKETING PERSONNEL

Steve Sohmer, vp, adv & promo
George Bristol, director, administration
Herman Aronson, director, operations
Charles Bieber, media director (L.A.)
Steve Hewitt, creative director, on-air
Bruce Weiner, director, affiliate adv & promo
David November, director, creative services
Jerry Taylor, director, administration, on-air promo
Morton Pollock, promo director (L.A.)
Jacques Sammes, copy chief
Edward Sobel, art director

CBS SPORTS
MARKETING PERSONNEL

Frank M. Smith Jr., president
Carl Lindemann, vp, programs
Harold Classon, vp, operations
Kevin O'Malley, vp, communications
Neal Pilson, vp, business affairs
James McKenna, vp, finance

CBS NEWS
MARKETING PERSONNEL

Ronald Beck, mgr, program services

CBS TELEVISION STATIONS
MARKETING PERSONNEL

Gail Trell, vp, sales & mktg
Sherman Wildman, dir, mktg
Thoren Schroeck, vp genl mgr, natl sales
Allan Morris, director, communications

CBS RADIO
MARKETING PERSONNEL

James Joyella, vp, genl sales mgr, network
Joseph Larsen, director, special projects, network sales
Nancy C. Widmann, vp-genl mgr, CBS Radio spot sales
Eli W. Kaufman, vp-genl mgr, CBS/FM national sales
W. Thomas Dawson, vp, div services
Norman S. Ginsburg, director, info services
Pamela Hamilton, director, sales promo
Scott Schanzebach, director, mktg services
Laurence Ostrow, director, retail mktg

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—CBS Inc., CBS TV Network, CBS-TV Stations, CBS News, CBS Radio, Lloyd Highbloom, acct super.

W.B. Doner & Co., Detroit—CBS Sports, Fred Doner, acct super.

CBS/RECORDS GROUP
MARKETING PERSONNEL

Robert Altshuler, vp, press & public affairs

CBS RECORDS DIVISION
MARKETING PERSONNEL

Bruce Lundvall, president
Don Dempsey, senior vp-genl mgr, Epic, Portrait and Associated labels
Jack Craigo, senior vp, genl mgr, Columbia Records
John Berg, vp, packaging art & design
Rick Smith, vp, genl mgr, music publishing
Joe Mansfield, vp, genl mgr, Columbia label
Larry Harris, vp, genl mgr, Portrait Records
Arnold Levine, vp, adv & creative services
Albert Shulman, vp, Columbia special products
Calvin Roberts, senior vp, CBS Records div operations, mktg
Paul Smith, senior vp-genl mgr, mktg, CBS Records
Ron McCarrell, vp, mktg, Epic, Portrait & Associated labels
Linda Barton, vp, adv planning

CBS RECORDS INTERNATIONAL
MARKETING PERSONNEL

M. Richard Asher, president
Bernard Di Matteo, vp, operations
Bernice Freidus, vp, mktg services
Donald Williams, director, intl distribution & warehousing

ADVERTISING AGENCY

Young & Rubicam, New York—CBS Records, tv adv, Morris Baumstein, acct super

CBS/COLUMBIA GROUP
MARKETING PERSONNEL

Cornelius Keating, president
Charles F. Wassem, vp

COLUMBIA HOUSE
MARKETING PERSONNEL

Benjamin Ordover, president
Stephen Levine, vp, music mktg
Richard Wolter, vp, intl operations
Paul Harris, vp, editorial services
Richard Archer, vp, creative services
Roy Abrams, vp, special mkts
Wayne Adair, vp, genl mgr, National Handcraft Institute
Michael Kilby, vp, genl mgr, Columbia House Canada
Robert Luton, vp, genl mgr, X-acto

ADVERTISING AGENCIES

Wunderman, Ricotta & Kline, New York—Columbia Record & Tape Club, Vista Marketing

Vos & White, New York—National Handcraft Institute, Needle Arts Society

CBS MUSICAL INSTRUMENTS
MARKETING PERSONNEL

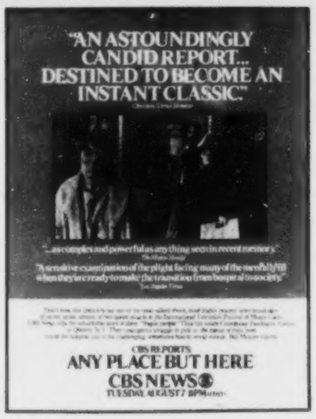
Robert G. Campbell, president
M. Ross Brown, sr vp
Lloyd Meyer, sr vp

FENDER/ROGERS/RHODES/-SQUIER
MARKETING PERSONNEL

Edwin Llewellyn, vp-genl mgr
Vernon Eszlinger, director, intl mktg

GEMEINHARDT
MARKETING PERSONNEL

Daniel J. Henkin, vp-genl mgr
Thomas Adcock, director, mktg


"AN ASTOUNDINGLY CANDID REPORT... DESTINED TO BECOME AN INSTANT CLASSIC."
"...as complex and powerful as anything seen in recent memory."
"A sensitive examination of the plight facing many of the mentally ill when they are ready to make the transition from hospital to society."
CBS REPORTS
ANY PLACE BUT HERE
CBS NEWS
TUESDAY AUGUST 7 8PM

CBS chalked up revenues of $3 billion in 1978, only two years after reporting revenues of $2 billion. CBS News received magazine ad support.

ELECTRO MUSIC (LESLIE SPEAKERS)
MARKETING PERSONNEL

Zane Wright, genl mgr

STEINWAY & SONS
MARKETING PERSONNEL

Henry Z. Steinway, chairman
Peter Perez, president
John Steinway, senior vp
Richard Gigax, vp-mktg
Catherine Bielefeodt, director of sales

RODGERS ORGAN CO.
MARKETING PERSONNEL

J. William Anderson, vp-genl mgr
Gary Kibble, director, mktg

GULBRANSEN
MARKETING PERSONNEL

David Gupton, vp-genl mgr
Thomas Zateslo, director of mktg

LYON-HEALY
MARKETING PERSONNEL

Henning Christiansen, president

ADVERTISING AGENCIES

Michael-Sellers, San Francisco, Fender, Rhodes/Squier, Gulbransen—Martin Michaels, acct exec.

Lord, Geller, Federico, New York, Steinway—John Marchese, acct exec.

Boger, Martin, Fairchild, Elkhart, Ind., Gemeinhardt

S.M. Newmark & Associates, Los Angeles, Rogers Stuart Newman, acct exec.

CBS SPECIALTY STORES
MARKETING PERSONNEL

Norman H. McMillan, president
Tom Andersen, acting senior vp, operations
Lou Delmonico, vp, mktg
Robert Blegan, vp, adv & sales promo
Bob Schumacher, vp-genl merch mgr

CBS TOYS
MARKETING PERSONNEL

Jerome Fryer, president
Norton Levy, vp, sales
Al Nordstrom, vp, mktg
Arthur Barnett, vp, mktg services
Stan Clutton, director, product planning
Judith Sussman, mgr, sales promo & public relations

ADVERTISING AGENCY

Nadler & Larimer, New York

CBS EDUCATIONAL PUBLISHING HOLT, RINEHART & WINSTON
MARKETING PERSONNEL

Ann Dichter, director—mktg, Praeger Publishing
Robert Graham, vp, sales & mktg, college dept
James Hayes, vp, sales & mktg, school dept
Steve Dorsky, director, mktg, general book dept

BFA EDUCATIONAL MEDIA
MARKETING PERSONNEL

Donald Storer, vp, mktg & sales
Gerald C. Bloch, natl sales mgr, instructional materials
Robert Davidson, natl sales mgr, film
Kathryn Kleibacker, mgr, mktg & sales support
Harriet Lieban, mktg mgr, film

CBS CONSUMER PUBLISHING
MARKETING PERSONNEL

Marketing Services

W. Ronald Kops, vp & director
Phyllis Crawley, director, communications

Women's Magazine Group

George Allen, senior vp & group publisher
Luther Bugbee, vp & circulation director
Jay Burzon, vp & adv director
Elizabeth Schick, director, mktg services
Edward Keil, promo director

Men's Magazine Group

Michael J. O'Neill, vp & group publisher
Eugene Bay, associate publisher, *Field & Stream*
John Condon, circulation mktg services director
Arnold Gluskin, adv mktg services director
James Rainsford, adv director, *Mechanix Illustrated*

Special Interest Magazine Group

Robert Krefting, vp & group publisher
Leon Rosenfield, circulation mktg services director
William Ganz, adv mktg services director
Cliff Parris, adv director, *Road & Track*
Brian Van Mols, adv director, *Cycle World*, *PV4*
Norm Jaeger, eastern adv director, *SEA*
Hal Morse, western adv director, *SEA*
Gordon Burkhard, adv sales director, specials
Byron Roland, publisher, special mktg

Fawcett Books Group

Kenneth Collins, vp & group publisher
James Young, vp & director, sales & mktg
Peter Frank, director, adv, promo & publicity
Thomas Mahan, natl sales mgr

Fawcett Marketing Services Group

Paul Mahler, vp & director

CBS PROFESSIONAL PUBLISHING
MARKETING PERSONNEL

Carl Katila, vp, administration
William Moritz, mgr, subscription sales
James Doorley, mgr, textbook mktg
Jack E. Fox, vp, college mktg
Dennis Carson, director, adv, health science
Martin Kahn, director of mktg, health science

CBS INTERNATIONAL PUBLISHING
MARKETING PERSONNEL

Richard Pippert, vp, publishing
Michael Israel, gen mgr, export operations
Shiela Bell, mkt mgr, professional product
James Dunn, mktg mgr, school product
Leslie Dwinell, mgr, sales promo
Lauren Korngold, mkt mgr, college product
Theresa Kraft, super, adv services
Nancy Lopez, mgr, customer service

ADVERTISING AGENCIES

Rapp & Collins, New York—circulation promo for all magazines, Stanley Rapp, mgmt super

Ketchum, MacLeod & Grove, New York—adv sales promo for all magazines, Walter Kaprielian, Harold Haeslip, mgmt supers.

Waterman, Getz, Niedelman, New York—Crest, Gold Medal books, Nancy Alloggiamento, acct super.

Catalano & Gornick, New York—Popular Library books and special mktg sales, Joseph Gornick, Jerry Stein, acct supers.

Ted Barash & Co., New York—supermarket continuity series, Ted Barash, mgmt super.

Dancer Fitzgerald Sample, New York—*Woman's Day*, Kathy Dishner, acct super.

Fred Gardner Co., New York—*Mechanix Illustrated*, Robert Luce, acct super.

Jameson Advertising, New York—Holt, Rinehart & Winston, Marie De Vito, Florence Coyre, acct execs.

Kaeser Taurins & Wilson, New York—Holt, Rinehart & Winston, Annalee Wilson, acct exec.

Hartel, Catalano & Gornick, New York—Popular Library, Michael Hartel, acct super.

Denhard & Stewart, New York—Caroline Barnett, acct exec.

Andrew Torre Associates, New York—Andrew Torre, acct exec.

Barbini, Pesce & Gaines, New York.

Target Communications, New York.

Motivational Communications, New York.

Kaeser & Wilson, New York.

CPC International

	1978	1977
Sales	$3,221,800,000	$2,869,800,000
Earnings+ ..	147,300,000	132,900,000
Advertising*	65,901,700	51,000,000

+Worldwide *U.S. only

CPC International, Englewood Cliffs, N.J., the 60th largest national advertiser, increased its U.S. ad spending a hefty 29% to $65,901,700 in 1978 from $51,000,000 in 1977.

Open up to the amazing world of Hellmann's!

Hellmann's mayonnaise helps make CPC International one of the 20 largest food companies in the world.

Worldwide sales increased 12.3% to $3.22 billion, topping the $3 billion mark for the first time. Worldwide ad and promotional expenditures were $179,000,000, up from $149,000,000 in 1977.

CPC, noted for such brand names as Hellmann's mayonnaise, Skippy peanut butter, Knorr soups, Mazola corn oil and margarine, Karo and Golden Griddle syrups and Bosco milk amplifier, changed its organizational structure from five major operating divisions to four.

All operations in the United States, Canada and the Caribbean were consolidated into one new division, CPC North America. The three other divisions are CPC Europe, CPC Latin America and CPC Asia.

When ranked by sales, CPC is one of the 20 largest food companies in the world. About 85% of CPC's business is concentrated in the United States, Canada and Western Europe. Branded grocery products, the company's largest business segment, accounted for 58% of sales in 1978.

- Corn wet milling accounted for 36% of CPC's sales in 1978. Other business, which together contributed 6% of total sales in 1978, includes specialty chemicals, packaging and restaurants.

Foreign business showed a larger gain than domestic operations partly because of the weakening of the dollar against other currencies, price increases necessitated by higher costs and larger volumes in branded grocery products and corn wet milling operations that showed real growth, according to James W. McKee Jr., chairman.

In the new product area, Skippy Old Fashioned was introduced into the western states. This was intended as a competitor for the "natural" peanut butter entries. Measured ad spending for Skippy was $5,030,700, a drop from spending of $6,739,800 in 1977. All of the 1978 ad spending was in spot and network television.

Ad spending for Hellmann's Big H hamburger sauce, which was introduced in test markets in 1977, rose to $2,785,600 in 1978 from $142,000 in 1977. The initial success of Big H sauce in these test markets led to its early introduction in the eastern and western regions of the U.S., where the company said it was well received. It is now being introduced into the rest of the U.S.

- CPC's new Karo Honey Hive topping was concept tested in Spokane, Wash., with ad backing of $19,100, all of it in magazines and newspaper supplements. The agency is McCann-Erickson, New York.

Mazola corn oil, the leader in its field, was supported by $8,135,300 in measured media spending, the bulk of it in network and spot tv.

Dutch Pantry Inc., which operates 31 company-owned units and franchises 46 others, reported a loss in 1978, and the company said steps were being taken to restructure the business of this affiliate and to refurbish facilities.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$555,200	$1,104,100
Magazines	3,362,500	3,351,900
Farm publications* .	——	232,800
Spot tv	13,543,700	12,947,400
Network tv	18,450,500	15,662,900
Spot radio	5,300	512,000
Network radio	——	231,800
Outdoor	237,300	228,800
Total measured ..	36,154,500	34,271,700
Unmeasured......	29,747,200	16,728,300
Estimated total ...	65,901,700	51,000,000

*Listed under Best Foods

BEST FOODS DIVISION
MARKETING PERSONNEL

Richard Siebrasse, president
Clayton Rohrbach, vp-mktg
Ian Van Amerongen, exec asst
Leroy F. Reiser, vp-mktg/devel
Clifford M. Jennewein, vp-sales
Jean Burtis, consumer service director
Dennis C. Beaumont, director-mktg services
Kenneth Bistany, Ross Fenster, Charles L. Lund, mktg directors

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MARKETING PROFILES

ADVERTISING AGENCIES

Dancer Fitzgerald Sample, New York—Hellmann's/Best Foods Mayonnaise, Hellmann's/Best Foods relish sandwich spread, Hellmann's/Best Foods tartar sauce, Hellmann's Spin Blend salad dressing, Skippy peanut butter, Skippy Old Fashioned, Fanning's Bread & Butter pickles, Heilmann's Big H, Mazola margarine, Diet Mazola margarine—George Dean, mgmt director; Bob Weeks, group super; John Kaiser, Joe Scutero, Ed Padin, Bob Howsam, Richard Horowitz, acct supers; Steven Strauss, Linda Fallon, Pam Gordon, acct execs.

de Garmo, New York—Mazola oil, new products—Robert Berman, mgmt rep; John Balardi, George Karalekas, mgmt reps, Richard Parillo, acct exec.

McCann Erickson, New York—Argo corn starch, Golden Griddle pancake syrup, Karo corn syrups (dark and light), Karo pancake and waffle syrup, Karo imitation maple syrup, Mazola No-Stick—Don Dillon, mgmt rep; Richard Costello, acct super; Sharon Glynn, Charlie Grace, acct execs.

S.B. THOMAS INC. DIVISION

MARKETING PERSONNEL

M.W. Hogarty, president
Joseph Cross, vp-mktg

ADVERTISING AGENCY

de Garmo, New York—S.B. Thomas baked goods—Joseph Kelley, mgmt super; Tony Pearson, acct super; Steve Voyer, acct exec.

SPECIAL PRODUCTS DIVISION

MARKETING PERSONNEL

A.A. Witz, general mgr

ADVERTISING AGENCY

McCann-Erickson, New York—Rit fabric whitener, Rit color remover, Rit dyes—Don Dillon, mgmt rep; Richard Costello, acct super.

BEST FOODS CARIBBEAN

MARKETING PERSONNEL

Plinio Gonzalez, president
Carlos Mendez, director-mktg/sales

DUTCH PANTRY

MARKETING PERSONNEL

William Nelson, president
Frederick Huggins, vp-restaurant operations
Glenn Seamark, mktg director

ADVERTISING AGENCY

Attardi & Davis, division of Geer DuBois, New York—Carolyn L. Chick, acct super.

Campbell Soup Co.

	1978	1977
Sales	$1,983,659,000	$1,769,132,000
Earnings	121,410,000	107,103,000
Advertising*	56,400,000	60,000,000

*Estimated by AA

Campbell Soup Co., Camden, N.J., the 70th largest national advertiser, decreased its domestic advertising expenditures by an estimated 6% to $56,400,000 in fiscal 1978.

Consolidated marketing expenditures worldwide totaled $163,000,000, up 7% from 1977. Marketing expenditures represented 8% of net sales for the third year in a row.

Campbell's consolidated net sales and earnings set records in the fiscal year ending July 30, 1978, with sales of $1,983,659,000 and earnings at $121,410,000. Sales increased 7% and net earnings grew 12% last year.

The canned foods division accounted for about $1 billion in sales in fiscal 1978. Campbell's 59 varieties of red-and-white soups have a lock on more than 80% of the $1 billion-plus wet-soup market and are the company's most heavily promoted products. Advertising for the line, down from 1977, totaled $11,908,000, with over half going to network tv. Magazine spending was $2,835,100.

During 1978, 16 of Campbell's standard soups—all with less than 90 calories per 10 oz. serving—were repositioned under the name Light Soups, appealing to calorie-conscious consumers. Actress Lee Meriwether was signed to a network tv and magazine campaign for "The light ones," which broke in April.

New varieties of condensed soup introduced last year were noodles and beef broth, noodles and chicken broth and an improved cream of mushroom.

Chunky Soups also received fewer measured ad dollars in 1978—$4,622,500 against $4,963,200 in 1977. Two single serving size Chunky Soups—Chunky ham 'n butter bean and beef with noodles, stroganoff style—were introduced in test in 1978. Both rolled national in July with a network tv campaign that runs through September.

Campbell moved into the instant soup market with three varieties of a moist instant in test in Indiana and New York. The product, called Campbell Cup, is packaged in aluminum containers with peel-back tops and requires six ounces of water.

Three new varieties of Swanson's chunk chicken in a tuna-size can were introduced in 1978, with white and dark mixed going national. Chunk thigh chicken and chunk style mixin' chicken rolled national in July.

Top 25 magazine advertisers

Rank	Advertiser	Expenditures 1978	Expenditures 1977
1	R. J. Reynolds Industries	$71,517,200	$59,588,900
2	Seagrams Co. Ltd.	69,160,400	27,051,300
3	General Motors Corp.	56,305,300	44,029,400
4	Sears, Roebuck & Co.	55,930,800	41,344,700
5	Philip Morris	53,306,800	48,232,800
6	General Foods Corp.	36,234,900	29,026,800
7	Chrysler Corp.	35,357,500	18,883,400
8	Procter & Gamble Co.	33,754,300	21,442,300
9	CBS	27,117,400	23,404,300
10	American Brands	26,399,200	29,011,600
11	Loews Corp.	24,147,600	18,758,100
12	Bristol-Myers Co.	23,761,500	23,316,200
13	Ford Motor Co.	23,744,900	24,788,800
14	Time	23,391,000	18,955,700
15	Liggett Group	23,081,600	18,596,800
16	B.A.T. Industries Ltd.	22,765,200	32,269,200
17	RCA Corp.	22,370,400	16,747,300
18	Kraft	21,878,900	14,783,400
19	U.S. Government	20,782,600	16,649,200
20	General Electric Co.	18,849,100	10,518,700
21	Heublein	17,233,900	14,818,200
22	American Telephone & Telegraph Co.	16,742,500	10,459,100
23	Volkswagenwerk AG	16,511,200	12,832,500
24	Norton Simon	16,339,100	14,872,700
25	General Mills	16,191,600	15,764,000

Source: Leading National Advertisers. Farm papers not included.

- The Swanson division, which accounts for $300,000,000 in sales of frozen foods, rolled national with take-out style frozen chicken in a 28-oz. box in 1978.

Chunky meat pies, a chunky, square, 10-oz. version of the traditional 8-oz. pie, went into test in Kansas and Wisconsin markets. Seven varieties of Swanson main courses, new individual entrees in microwave-safe paper trays, went into test in California.

Hungry Man frozen pizza will roll national within a year with a print and tv campaign. The five varieties—cheese, sausage, hamburger, combination and Sicilian—are now in 12% of the U.S. with measured ad dollars at $289,200.

Total measured media spending for the Swanson division was $4,024,700, down slightly from 1977. The most heavily promoted products were frozen dinners and entrees, budgeted at $1,807,700.

- Pepperidge Farm generated about $250,000,000 in sales. Measured spending totaled $4,706,800, a significant increase over the $1,960,400 spent in fiscal 1977.

Many of those ad dollars went to new products. Snack Sticks and Snack Bars are new biscuit division products slowly rolling national. Snack Sticks, similar to bread sticks, come in four varieties—plain, cheese, sesame seed and pumpernickel. Distribution of individually-wrapped Snack Bars, a cross between a brownie and granola bar, will depend on production capacity because the bars contain no artificial preservatives.

Butter Thins, butterfly-shaped crackers, are a variation on Goldfish Thins, introduced in 1978.

Expansion of Pepperidge Farm's 80-product fresh sweet goods line will also depend on production capacity. The line of fresh danish, coffee cakes, loaf cakes, etc., is now in Midwest and Atlanta markets.

Frozen puff pastry sheets and pie shells, introduced in limited distribution in 1978 with $176,400 in measured media, will roll national in November. Two varieties of 24-oz. frozen cakes, called Cakes Supreme, were added to Pepperidge Farm's traditional line of 16-oz. cakes. Network tv advertising for the company's first large fancy cakes will run for the second time in August.

- V-8 vegetable juice and V-8 spicy hot appetizer and mixer were backed by $3,490,600 in measured media, most in network tv.

Recipe pet foods were pulled back, becoming a regional brand in the East where they have done well. Recipe received $142,100 in ad dollars—a considerable drop from $918,000 in 1977 and over $3,000,000 the year before.

Spending for Franco-American canned products totaled $2,604,900, with $1,290,500 going to network and spot tv advertising for Spaghettios.

In 1978, Campbell acquired Vlasic Foods, Bloomfield, Mich., as a wholly owned subsidiary. Vlasic, marketing over 100 varieties of pickles, relishes, peppers and sauerkraut, has more than 25% of the pickle market. Vlasic sales were over $100,000,000 in fiscal 1978, spurred by $2,792,600 spent in measured media—most in network tv.

Although Vlasic is working to expand within its current market, it tests products in local markets in response to competitors' new product marketing. A half pickle tested in Los Angeles in 1978 will roll national this year. Vlasic also increased its use of consumer promotions—specifically couponing—after being acquired by Campbell.

- Campbell acquired three regional retail food operations early this year. Herider Farms, a Texas based company with $33,000,000 in sales, markets Golden Nugget brand fresh chickens and eggs to retailers and food processors. Domsea Farms, Bremerton, Wash., produces plate-sized salmon and trout for retail and institutional sale under the Domsea brand.

A new mushroom division markets fresh mushrooms on the East Coast under the Campbell's Farm Fresh Mushrooms label.

On May 10, Campbell and H.J. Heinz Co. announced the out-of-court settlement of a controversy that began in 1976 when Heinz filed a suit charging Campbell with antitrust violations in the canned soup market. Campbell filed a counter-suit in 1977, charging Heinz with unfair food service selling practices and claiming Heinz will not sell ketchup unless other institutional food products are purchased.

Terms of the settlement were not disclosed.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$3,349,800	$3,796,100
Magazines	5,821,400	4,645,500
Spot tv	10,077,000	7,845,000
Network tv	18,648,600	20,087,500
Spot radio	1,200,500	2,311,000
Network radio	669,700	496,200
Outdoor	260,200	871,700
Total measured	40,027,200	40,053,000
Unmeasured	16,372,800	19,947,000
Estimated total	56,400,000	60,000,000

CAMPBELL SOUP CO.

MARKETING PERSONNEL

H.M. Baum, director-mktg services
A.J. Adams, director-mktg rsch
J.A. Gardener, director-product promo
R.H. Bolte, director-adv services
C. Boasi, director-home economics
C. Lehmann, director-corp new products
D.F. Macaulay, director-design & promo
J.A. Blood, director-intl mktg services
R.M. Ward, mgr-adv services

Canned Foods Division

G.S. Fabian, director-mktg, canned foods other than soup
P.N. Mulcahy, product mktg director, condensed soups
D.E. Bair, product mgr, condensed soups
W.J. Carter, product marketing mgr, condensed soups
J.W. Dodd, product mktg director, ready-to-serve soups
D.E. Goerke, product mktg director, Franco-American/Swanson canned
H. Pierce Pelouze, product mktg director, beans/juices

Swanson Division

J.R. Emshoff, vp-mktg & devel
W. Culp II, director-mktg
P.R. Collins, product mktg director
R.O. Boucher, product mktg director
J.N. Haring, product mktg mgr
S.A. Regan, product mktg mgr
F.A. Dudowicz, product mktg mgr

Campbell Sales Co.

C.J. McNutt, vp-sales
J.H. Petersen, sales mgr-canned foods
A.J. Dale, sales mgr-frozen foods

Food Service Products Division

A.J. Plummer, sales mgr
D.L. Larson, mktg mgr
M.T. Lyons, asst mktg mgr

ADVERTISING AGENCIES

Batten, Barton, Durstine & Osborn, New York—condensed and ready-to-serve soups—R. B. White, exec vp-mgmt rep; C. Clarkson Hine, mgmt super; Arnold Ross, acct super-condensed; Ted Newlin, mgmt super-ready-to-serve; Bob Robbins, acct super-ready-to-serve.

Needham, Harper & Steers, Chicago—Campbell Bean products, Tomato Juice, V-8 Cocktail Vegetable Juices, Franco-American products, Swanson canned products—Gerry Rubin, sr vp-mgmt rep; Greg Allebach, acct super; Tim Prosch, acct exec; Grant B. Castle, acct exec.

Ogilvy & Mather, New York—Swanson frozen products—William H. Weed, exec vp-mgmt super; Charles L. Decker, sr vp-mgmt super; David Lewis, vp-acct super.

Foote, Cone & Belding, New York—new products—Don Weakley, mgmt super; Alice Magdol, acct super.

Lewis & Gilman, Philadelphia—corporate trade, food service—R. G. Wilden, president; T. D. Endicott, T. P. Ferguson, acct supers; K. W. Johnson, mgmt super.

Conill Advertising Associates, New York—Spanish-speaking market—Rafael Conill, president; Alicia Conill, exec vp; Susan Kahn, director-mktg services.

McCann-Erickson, New York—special assignment—Steve Norcia, mgmt super; Bob Wadsworth, acct super.

RESTAURANT DIVISION

Rancocas, N.J.

MARKETING PERSONNEL

Robert J. Dourney, exec vp
John L. Dew, director-operations/mktg—

1978 AD $ SUMMARY

See page 137

LNA

RALEIGH/DURHAM:
bright spot in the nation's Sunbelt.

IBM . . . Research Triangle Park . . . 6,000 employees

IBM is one of 28 firms in North Carolina's fabulous Research Triangle Park, helping make Raleigh/Durham the bright spot in the nation's Sunbelt. A major market covered with one buy.

The News and Observer
THE RALEIGH TIMES

One rate/one bill via
Branham
NEWSPAPER SALES

Durham Morning Herald
The DURHAM SUN

MARKETING PROFILES

Hanover Trail, Pietro's Gold Coast Pizza, Herfy's Hamburgers

ADVERTISING AGENCY

Spiro Associates, Philadelphia—Gordon Lawrence, acct exec.

CHAMPION VALLEY FARMS

Camden, N.J

MARKETING PERSONNEL

J. W. Petty, president
M. J. Caparelli, product mktg mgr
J. E. Harris Jr., director—planning & operations

PEPPERIDGE FARM

MARKETING PERSONNEL

J.P. Horn, vp—frozen foods
A.N. Calabrese, genl mgr—biscuits
R.S. Wilson, president—Lexington Gardens
R.L. Schma[illegible], genl mgr—mail order
L.D. Pearson, mktg mgr—bakery
C.A. Platt, mktg mgr—biscuit
W.T. Sander, mkg mgr—frozen
A.J. Pechenik, genl mgr—confectionery sales
J.E. Tierney, vp—sales division

ADVERTISING AGENCY

Ogilvy & Mather, New York—William H. Weed, exec vp—mgmt super; Charles L. Decker, vp—mgmt super; Kelly O'Dea, acct super—bakery, biscuit and frozen; Michelle Margan, asst acct exec—frozen; David Nathans, acct exec—bakery & biscuit; Michael Wickham, ass't acct exec—bakery & biscuit; Martha Stair, ass't acct exec—frozen.

VLASIC FOODS

MARKETING PERSONNEL

Dennis Sullivan, president
Peter Nolan, vp-sales
J.M. Dorsch, mktg director

ADVERTISING AGENCY

W.B. Doner & Co., Southfield, Mich.—William Case, mgmt super; Jerry Lyons, acct super; Stephanie Conway, asst acct exec; Keith Johnson, asst acct exec.

Carnation Co.

	1978	1977
Sales	$2,576,047,000	$2,334,660,000
Earnings	123,700,053	109,100,000
Advertising*	28,500,000	31,853,100

*Estimated by AA

Carnation Co., the 99th largest national advertiser, decreased its ad spending in 1978 by 10.5% to an estimated $28,500,000.

Sales totaled $2.58 billion in 1978, up 10% over 1977's $2.33 billion; earnings were up 13% to $123,700,053.

The company, which markets evaporated milk, pet foods, tomato products, animal feeds and diet foods, decreased its network tv budget slightly in 1978, to $17,695,700 from $18,386,600 in 1977, and almost cut its 1977 spot tv budget in half, to about $3,000,000 from more than $7,000,000.

Carnation is No. 2 in the pet food market, behind Ralston Purina, with a 1978 market share estimated at 11.1% by industry analyst John C. Maxwell. This is a drop from Carnation's 11.6% share in 1977.

How your customers can make dozens of delicious soups, lots of savory sauces, and loads of delightful money.
Campbell's

Campbell Soup Co. promoted its soup varieties to the trade in color spread ads. The company's canned soups hold 80% of the market.

Facing stiff competition from regional and national introductions of new brands of dry cat food by competitors, sales of Carnation's Friskies dry cat food slowed in 1978. Market share slipped to an estimated 21.5%, with dollar sales also down.

To strengthen its position in the increasingly competitive dry cat food market, Carnation rolled national in the spring of 1978 with Chef's Blend dry cat food, a combination of beef, cheese, tuna and liver flavors. Tv and magazine ad support stressed the "four tasty flavors" in the new brand.

Carnation had more success in the canned cat food segment, a product category that accounts for more than half of the over-all cat food market. Friskie's Buffet line increased its share from 21% to 22%, according to the Maxwell Report, and Bright Eyes grew from an estimated 2.8% to 3.1%.

Carnation added a salmon and salmon and liver combination to the Friskie's Buffet line in 1978.

▪ On the dog food side, Carnation is making another try at the semi-moist dog food market in 1979 with the test market launch of Ground Round. Positioned as a less expensive burger-type food, the product has been introduced in Columbus, O., Buffalo and Miami, supported by tv and newspaper.

Among its established products, Carnation's Friskies canned dog food holds about 8% of that market segment, followed by Mighty Dog with 7.5%. Friskies Dinner Cubes have about 5% of the dog food segment.

Over-all, Carnation spends almost half of its $26,473,600 measured ad budget on its pet food products.

Furthering research into new product development, Carnation is developing a prescription birth control dog food, tentatively called Extra Care. The company had originally hoped for over-the-counter sales by 1980, but current indications are that it will take much longer than expected.

Profits of the company's tomato products slipped in 1978, adversely affected by oversupply and competitive conditions. Carnation expects that the closing of its San Jose, Cal., Contadina Plant will favorably cut production costs.

Carnation began test marketing Contadina Half & Half, a blend of tomato paste and tomato sauce, in Memphis and midwestern markets.

▪ Carnation entered the consumer frozen food arena in 1977, with french fries, hash browns and taters in selected markets backed by spot tv, and newspaper ads.

Carnation continues in the retail frozen food business, but in 1978 faced some obstacles. Early in the year, a U.S. federal court issued a permanent injunction against the company's use of the name Tater Pops for a frozen potato product in test market. Ore-Ida Foods sought the injunction, claiming the name infringed on its Tater Tots trademark. The court also ruled that Carnation's packaging for the line had to be changed.

Carnation's food service division continues to grow. The Chef-Mate canned entrees, soups, salads and sauces show particularly strong sales.

Early in 1978, Chef-Mate potato salad was introduced nationally to the food service trade. The product, in test market in 1978, features a patented "cool-cooked" process which produces vegetable and meat salads that are shelf stable, but have fresh eating properties.

Carnation hot cocoa sales again reached record levels. The company credits the introduction of mini-marshmallow hot cocoa mix and expanded bulk jar distribution for the sales increase. Carnation's products in the add-to-water cocoa category led the market in 1978. Market share gains were registered with Instant Breakfast products.

Slender diet meal bars were introduced nationally in early 1978, a successful addition to the Slender diet food line. The Slender brand is the market leader in the diet meal category.

Powder creamer sales increased in 1978, from a several year slide attributed to reduced coffee consumption. Carnation anticipates rising sales figures for the brand in 1979.

Yogurt products manufactured by Carnation's Favorite Foods, Fullerton, Cal., operation (marketed under the Yonson label) showed excellent growth in the western yogurt market, now dominated by Beatrice Foods' Johnston's and, in 1979, Dannon yogurt brands, and the market leader, Knudsen Corp.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,938,200	$2,781,300
Magazines	1,874,800	146,500
Farm publications	284,800	276,800
Spot tv	3,197,100	7,366,500
Network tv	17,695,700	18,386,600
Spot radio	453,900	393,000
Total measured	26,473,600	29,350,500
Unmeasured	2,026,400	2,502,600
Estimated	28,500,000	31,853,100

MARKETING PERSONNEL

J.C. Thompson, vp-grocery product sales
Robert B. Funkhouser, adv director
W.M. Campbell, adv mgr, corp media
R.E. Mott, promo materials mgr
D.T. Harberson, adv dept controller
T. Thaler, associate adv promo mgr
O. Picciano, Canadian adv coordinator
J. Davidson, Q. Trujillo, adv art directors
V. M. Piper, director, food service center
H. Reifer, director, new products devel
H.C. Chamberlin, new products, pet foods
D. Fuhrman, M. Aldrich, G. Morris, D.L. Stuart Jr., S. Hannah, J. Hollingsworth, E. Boykins, group product mgrs.
L. Bast, N.R. Berkness, N. Knapp, C. Calish, J. Harris, C. Brown, C.R. Hanson, R. Bowman, R. McMullin, C. Bell, A. Harris, P. Lomenzo, T. Oil, W. Hardekepf, G. Zebrowski, product mgrs
R.W. Miller, J.L. Dintsman, genl product mgrs
H. Findlay, genl mgr, fresh milk ice cream div
J. MacDonald, merch mgr

ADVERTISING AGENCIES

Erwin Wasey Inc., Los Angeles—dog & cat foods, Coffeemate, Instant Breakfast, Slender, other instant products. Contadina—J. Gallagher, president; W. Cline, J. Lorick, R. Barton, S. Harrison, R. Kojis, acct mgrs.

Burrell Advertising, Chicago—black consumer mkt adv—C. Hughes, acct mgr.

Lew Lesser & Associates—milling division—Lew Lesser, acct super.

Baker, Lovick Ltd., Toronto—Canadian adv—R.J. Birtles, senior vp.

Chesebrough-Pond's

	1978	1977
Sales	$969,833,000	$807,997,000
Earnings	69,714,000	60,090,000
Advertising	84,747,600	67,260,000

Chesebrough-Pond's, Greenwich, Conn., the 45th largest national advertiser, increased its domestic advertising 26% to $84,747,600 in 1978.

The company marked its 23rd consecutive year of operating records in both sales and earnings in 1978, with a 20% increase in sales and 16% increase in net income.

All seven operating divisions contributed to the sales record, with the international, G.H. Bass and package foods divisions

Top 25 spot radio advertisers

Rank	Advertiser	Expenditures 1978	 1977
1	Chrysler Corp.	$27,668,000	$8,618,000
2	General Motors Corp.	20,202,000	15,928,000
3	Anheuser-Busch	12,315,000	8,573,000
4	Sears, Roebuck & Co.	11,000,000	n.a.
5	Nissan Motor Co.	7,834,000	5,780,000
6	PepsiCo	6,506,000	4,433,000
7	Ford Motor Co.	6,475,000	7,568,000
8	Coca-Cola Co.	6,278,800	4,270,000
9	U.S. Government	5,963,500	6,849,000
10	Delta Air Lines	5,614,000	4,521,000
11	Philip Morris	5,118,900	2,345,000
12	General Mills	4,824,000	4,731,000
13	American Telephone & Telegraph Co.	4,800,000	4,800,000
14	Squibb Corp.	4,114,000	2,940,000
15	Exxon Corp.	4,022,000	2,392,000
16	Bristol-Myers Co.	4,006,000	4,432,000
17	Borden	3,994,000	4,015,000
18	Wm. Wrigley Jr. Co.	3,974,000	3,376,000
19	Ralston Purina Co.	3,959,000	2,438,000
20	American Home Products Corp.	3,855,000	2,145,000
21	UAL Inc.	3,740,900	2,378,000
22	Trans World Airlines	3,573,100	3,842,000
23	K mart Corp.	3,494,500	n.a.
24	Heublein	3,450,000	1,496,000
25	American Airlines	3,408,100	4,756,000

Source: Radio Advertising Bureau and Radio Expenditure Reports.

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showing particularly outstanding growth.

All divisions registered earnings increases except the Health-tex division, which continued to experience production scheduling and inventory related problems.

In domestic operations health and beauty products accounted for $198,540,000 or 20% of corporate sales; package foods, $182,623,000 or 19%; Prince Matchabelli, $96,159,000 or 10%; hospital products, $28,366,000 or 3%; Health-tex children's apparel $158,805,000, or 16%, and Bass, $28,366,000 or 3%.

▪ The company's oldest and largest domestic division, health and beauty products, introduced two new products during 1978.

Rave soft perm, promoted as the first odorless home permanent product, was launched in the second quarter and in six months captured a 27% share of market.

Sales for home perms had been flat in recent years, but jumped 68% in 1978. Chesebrough-Ponds believes this is largely due to the introduction of Rave.

Pond's cream & cocoa butter lotion, a skin softening product that complements the market-leading Vaseline Intensive Care lotion, was also introduced by the health and beauty products division.

The division spent $18,783,000 on advertising in 1978, an increase of 9% over 1977. Of this total, $5,616,800 was spent on Vaseline Intensive Care products, $1,810,200 on Q-tip swabs, $586,500 on Vaseline petroleum jelly, $6,722,500 on Pond's cold creams and lotions, $1,636,100 on Cutex nail products and $2,198,600 on Rave home perm.

For 1979, the division's objectives are twofold. It plans to extend C-P's foothold in the hair care market by introducing Rave hair spray, investing $6,000,000 in a multimedia effort including tv, magazines, newspapers, supplements and 30,000,000 25¢ coupons. C-P views the hair spray category as a growth opportunity for an innovative new product.

Advertising for Rave hair spray by Ogilvy & Mather notes, "It gives a soft hold; you can even comb through it."

▪ With its established products such as Vaseline petroleum jelly, Pond's cream, Q-tips cotton swabs and Cutex products, the company plans to maintain or improve its position of market leadership.

The packaged foods division had an outstanding year in 1978, posting a 25.2% sales increase and a 26.2% rise in operating income. In July, the division introduced Ragú Classic Combinations sauces, a new line of spaghetti sauces that quickly became the second best seller in the category.

Ragú traditional sauces remain No. 1, and Ragú Extra Thick & Zesty holds the No. 3 position. These three brands combine to give the company a 66% share of the spaghetti sauce market.

New products in various stages of development and testing include Ragú pizza quick sauces, Ragú table sauce and Adoph's chili cooking sauce. At least one of them should go into national distribution during 1979.

During 1979, the packaged foods division spent $12,988,000 on advertising, an increase of 47% over the previous year.

▪ The acquisition of G.H. Bass & Co., a Wilton, Me., based manufacturer of top-quality casual footwear, was completed on July 31, 1978. This purchase is consistent with the company's policy of broadening its consumer product lines via a selective acquisitions program.

Despite increasing competition from imports, Bass shows a solid gain in both sales and earnings in recent years. Sales for 1978 were nearly $60,000,000, a 55% increase from the previous year.

The excellent sales growth of Bass in 1978 was credited principally to the expansion of the division's line of warm-weather footwear, including "Sunjuns" open sandals for men and women.

▪ The company's other apparel division, Health-tex, had lower earnings but record sales in 1978, posting a 10.5% sales gain over 1977. The division makes brand-name children's wear for sale in department and specialty stores, and last year expanded its product line to include girls' sizes 7-14.

Rapid growth of the Health-tex business has resulted in ongoing problems with the coordination of production and distribution operation. While efforts to improve delivery and to maintain the high-quality of Health-tex products resulted in record sales, the cost of these efforts, and other inefficiencies, resulted in a reduction in the division's profit margin.

A new line of Kidproof jeans for boys is being launched in 1979. They will be available at retail in the fall of 1979. The Health-tex Division spent $1,383,000 in advertising during 1978.

▪ Prince Matchabelli, the division known originally for its leading fragrances for women, showed strong growth in nonfragrance products in 1978.

Aziza makeup products paced the division's sales gains, aided by the introduction of new eye shadow and lipstick lines. The introductory advertising blitz for blush and lip gloss products amounted to $1,000,000 in three months.

Total 1978 media spending for the Aziza products was over $5,000,000. In 1979, they moved heavily into spot and network tv, while maintaining an 11-time schedule in four core magazines—*Cosmopolitan*, *Glamour*, *Mademoiselle* and *Seventeen*.

▪ All three fragrances produced by Prince Matchabelli—Wind Song, Aviance and Cachet—continue to rank among the leaders in the industry.

In the fall, C-P will undertake a four-month $4,500,000 ad and promotion campaign for the introduction of Chimere, a new fragrance aimed at the 25 to 35-year-old, professional woman. The Chimere customer is being profiled as efficient, yet sensitive; competent, yet warm; in control, yet giving.

The theme line is "To the world it's discreet and elegant, but up close it's something else." Chimere is targeted at the upper end of mass distribution with a $4.75 to $15 price range. Advertising will be handled by Scali, McCabe, Sloves.

▪ Chimere's ad budget is in addition to the $7,720,200 invested in Aviance, Cachet and Wind Song in 1978 as reported by Leading National Advertisers. In addition, budgets for these established brands have been increased 7% to 8% in 1979.

AZIZA DEMONSTRATES
HOW TO HAVE A MORE MEMORABLE MOUTH.

The Aziza line of Chesebrough-Pond's Prince Matchabelli division moved heavily into tv while maintaining an 11-time schedule in four women's magazines.

For 1978, the Prince Matchabelli division spent $13,005,000 on advertising, a 10% increase over 1977.

The company's smallest division, hospital products, focused its marketing efforts in three primary areas—wound dressings, respiratory therapy aids and urological devices—with a resulting sales gain of 8% and an operating income increase of more than 16%. There is no measured advertising for this division.

The international division experienced one of the most outstanding years in its history in 1978. Net income rose 44.7% while sales, at $276,542,000 grew by 22.1%. C-P notes that the net effect of foreign currency fluctuations had a relatively minor impact on the increase in income before tax.

An aggressive program of introducing new products—most of them already successful in the U.S., but a growing number developed specifically for international markets—was key to the division's success. The international division also stepped up its efforts in other product areas, notably Prince Matchabelli, Ragú and Health-tex. Prince Matchabelli products now account for about 13% of international sales.

For the first quarter ended March 31, 1979, Chesebrough-Pond's announced record sales and earnings. Net income for the quarter increased 20% to $19,665,000 compared with $16,394,000 for 1978. Quarterly sales totaled $272,204,000, up 27% from $214,268,000. Results reflect increased advertising and marketing expenditures for new products.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,556,400	$1,598,000
Magazines	6,723,000	3,787,100
Spot tv	5,341,600	7,368,400
Network tv	34,030,600	27,350,700
Network radio	121,100	—
Spot radio	238,700	—
Outdoor	1,200	2,400
Total measured	49,012,600	40,106,600
Unmeasured	35,735,000	27,153,400
Estimated total	84,747,600	67,260,000

CORPORATE MARKETING PERSONNEL

Frank Stambert, group vp
K.R. Lightcap, vp-investor relations & public affairs
J.A. Russo, creative services director
J.E. Durlach, media mgr
Carl Ward, specialty mkts director
J.E. Campion, media director

HEALTH & BEAUTY PRODUCTS DIVISION

MARKETING PERSONNEL

R.M. Phillips, president
David Cullen, vp-mktg
M. Borkowsky, vp-business devel

ADVERTISING AGENCIES

William Esty Co, New York-Vaseline petroleum jelly, Vaseline Intensive Care lotion, Pond's creams—Tom Hayes, Ruth Burr, Ivy Perlowitz, Roy Williams, acct execs; Deborah Pollick, asst acct exec.

Ogilvy & Mather, New York—Q-Tips, Rave home perm—Jim Vose, acct exec; John Gareffa, acct exec.

Albert Jay Rosenthal Inc., New York—military advertising—Art Becker, acct super.

PRINCE MATCHABELLI DIVISION

MARKETING PERSONNEL

W. E. Sanford, president
Ed Rabin, vp-mktg
Jom Northrop, group brand mgr
M. Horowitz, group brand mgr

ADVERTISING AGENCIES

Jerry Della Femina, Travisano & Partners, New York—Aviance—Arnold Wechter, mgmt super; Joanne Tilove, acct exec; Cathie Payne, vp-mgmt super.

Scali, McCabe, Sloves, New York—Wind Song Cachet—Richard J. Roth, mgmt super; Keith Tunnel, acct super; Lucy Rogenstin, Caroline Bracie, acct execs.

Waring & LaRosa, New York—Cutex, Aziza—Larry Weisberg, vp-mgmt super; Edee Wollin, acct exec; Anne Merriam, asst acct exec.

HOSPITAL PRODUCTS DIVISION

MARKETING PERSONNEL

John White, president
R. Rosenthal, vp-mktg

ADVERTISING AGENCY

Klemtner Advertising, New York—William Marotti, acct super; John Rauffenbart, acct exec.

ERNO LASZLO INSTITUTE

MARKETING PERSONNEL

Arthur Noto, vp-genl mgr

ADVERTISING AGENCY

Murray Salit & Associates, New York—Murray Salit, acct super; Robert Kimmel, acct exec.

PACKAGE FOODS DIVISION

MARKETING PERSONNEL

Charles Chapman, president
George Goebeler, vp-mktg
Robert Spessard, vp-sales
Charles Kiernan, group product mgr
Charles Perrin, group product mgr

ADVERTISING AGENCY

Waring & LaRosa, New York—Ragú, Adolph's—John McCroskey, senior vp; Irwin Levy, vp-acct super; Doug Burns, Louise Erdman, Jen Cienki, acct execs.

HEALTH-TEX DIVISION

MARKETING PERSONNEL

R.A. Breakstone, president & genl mgr
H.S. Miller, vp-mktg

ADVERTISING AGENCY

AC&R—New York—Alvin Chereskin, president-acct super; Joyce Kayhart, acct super; Helen Hedges, acct exec.

BASS DIVISION

MARKETING PERSONNEL

Blair Mizener, adv

ADVERTISING AGENCY

Horton, Church & Goff, Providence, R.I.—Rush Workman, acct exec.

Chrysler Corp.

	1978	1977
Sales	$13,600,000,000+	$13,100,000,000+
Earnings	(204,600,000)	163,000,000
Advertising*	188,900,000	127,100,000

+Restated
(Loss)
***Estimated by AA**

Chrysler Corp., Highland Park, Mich., the 10th largest national advertiser, raised its advertising expenditures in 1978 by 48% to $188,900,000 from $127,100,000 in 1977. The company had a loss on slightly higher dollar sales while unit sales slumped.

Late in the year, Lee Iacocca answered an SOS to become president of the embattled No. 3 automaker, and an upheaval in marketing and advertising agencies followed.

But Mr. Iacocca, fired earlier in the year as Ford Motor Co. president, couldn't stop the bleeding that resulted in a loss of $204,600,000 compared with 1977's profit of $163,000,000.

Ebert Today Sportswear

CUSTOM PRINTED and MANUFACTURED
- Tee Shirts
- Jackets
- Polo (golf) Shirts
- Hi-Crews
- Sweatshirts

EBERT JACKETS & T-SHIRTS are the good time, anytime everytime premium, whatever your program. Plan a successful promotion using custom printed sportswear by EBERT. Our promotional staff and talented artists have produced winning shirts for all types of marketing programs. We can do the same for you, with full-color custom designs on actual samples. Take the worry and headache out of your promotions by contacting the incentive builders for a head-turning promotion which we'll handle from start to finish, with apparel manufactured and screen printed by us. So just in case you get a promotion and just in case you don't. Think of Ebert, everytime.

CALL OUR "HOT LINE"
Toll Free 1-800-845-1090

For our free catalog of distinctive imprinted sportswear write to:

EBERT Sportswear
Premium Division
P. O. Box 21747
Columbia, S. C. 29221

Name Title
Company Phone
Address
City State Zip

1978 AD $ SUMMARY

See page 137

LNA

MARKETING PROFILES

Sales rose to $13.6 billion from $13.1 billion the year before. They were restated to reflect Chrysler's peddling of European and South American operations. The company called it "deconsolidation."

■ Passenger car sales dropped to 1,249,550 units in the U.S. from 1,341,014 and the company's share of the market, including captive imports, dropped to 11.1% from 12%. Chrysler's share of the hot truck market also fell—to 11.9% from 12.8%—but unit sales still set a record of 489,134, up from the previous high of 469,161 in 1977.

Things got worse early in 1979 with a first quarter loss of $53,800,000, although that was less than the first quarter loss the year before. Sales slumped to $3 billion from $3.3 billion and unit sales continued to slide—501,085 from 513,386. The market share also eroded further 10.9% for cars compared with 11.3% the year before.

Mr. Iacocca told the annual meeting bluntly, "No one can promise any easy answers or any quick turnaround in our company's fortunes. The problems are too complicated for that, the lead times too long and the competition too intense. The task is to bring every step of the process in at just the right time from design to purchasing to manufacturing to advertising and marketing. That's what we're going to do at Chrysler. We are restoring a sense of discipline to the organization."

He outlined a program to fight the ills of high factory inventories, slow sales, quality and service problems and lack of new products.

■ Chrysler had problems in 1978 before the gasoline crunch, but when it came, it spotlighted the soft spots—what Mr. Iacocca called market turmoil.

"The full-size car and intermediate car markets are under great pressure while the demand for small, fuel-efficient cars is overwhelming," he said. "That kind of wild fluctuation upsets everyone's planning. We are in a mass-production business, a long lead time business and we can't turn our plants on a dime to stay with the market. Where we have the products, we are doing very well. Omni and Horizon [subcompacts] are sold out for all practical purposes."

But production was constrained by availability of the Volkswagen four-cylinder engines Chrysler buys. Sales of six-cylinder compacts like Volare and Aspen were strong as were captive imports sold by Chrysler dealers.

"For the short term, the losers in all this are the eight-cylinder car models and trucks, especially vans and recreational vehicles—a market, I might add, in which Chrysler has led the industry for many years," Mr. Iacocca said.

Chrysler's new products for model year 1979 were revamped full-size cars. But to start, production problems negated introduction advertising. When the cars finally started to arrive in showrooms, the gas crunch hit.

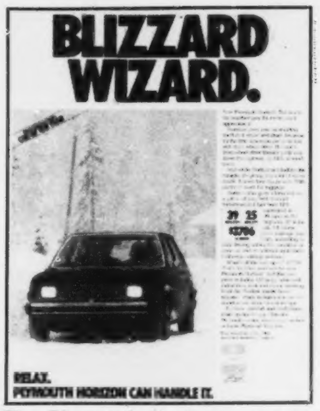
■ Those events did not escape the eye of stockholder critics at the annual meeting. One said, "Inadequacy of past planning is reflected in our unsatisfactory product mix to meet the demands of the market. This found Chrysler entering markets which were ripe for decline and insufficiently represented in areas that justified an increasing commitment of product engineering effort, marketing attention and plant investment."

When Mr. Iacocca came on board in November, 1978, dispirited dealers hailed the move and his ad philosophy became apparent. The cars became the stars, not celebrity presenters or cute slice-of-life vignettes.

He was displeased with the way some cars had been photographed. For the two-door Omni and Horizons that were introduced—late as usual—he even picked the car colors for the ads.

■ Later he told ADVERTISING AGE of his beliefs in simple, fundamental advertising that rested on the bedrock of local dealer associations. "We're going to organize the finest local associations in the world because they work," he said. "They can really tailor and localize advertising to generate floor traffic with no ands, ifs or buts and we're going to get back to that.

"The factory can't do it alone. It's just regionalized advertising that I grew up in and we've got to get it instituted in some detail at Chrysler."


BLIZZARD WIZARD.
RELAX.
PLYMOUTH HORIZON CAN HANDLE IT.

The Plymouth Horizon—and its twin, the Dodge Omni—came on fast to rank second in Chrysler's car sales.

■ The answer came in March when Mr. Iacocca fired Young & Rubicam as the Chrysler-Plymouth agency and BBDO, Troy, Mich., as the Dodge agency and hired Kenyon & Eckhardt, the Lincoln-Mercury agency.

It was the biggest account switch in history—$120,000,000. Ross Roy, Chrysler's merchandising agency, lost about $6,000,000 in Chrysler leasing and marine business; it retained the $50,000,000 merchandising account.

K&E would enjoy a "unique relationship" with Chrysler, Mr. Iacocca said. It would be in on product planning and marketing committees. It also got a deal that in effect sets a floor under agency earnings.

Mr. Iacocca had worked with K&E while at Ford, and a host of former and current Ford marketers were to follow him to Chrysler. Before the big agency switch, John Morrissey left his post as Ford division general marketing manager to join K&E, eventually becoming chairman.

Mr. Iacocca hired Gar Laux for a series of posts that saw him rise to group vp-marketing. Jerry Pyle left a Ford division sales post to become executive marketing director and Peter Dow left as Chrysler marketing director to join Campbell-Ewald as an exec vp.

Y&R and BBDO pitched the Lincoln-Mercury account and Y&R got it. BBDO said it would keep a small office open in Detroit and scout around for another car account. Chrysler meanwhile said it would return to the two-division marketing set-up of C-P and Dodge. They had been merged under U.S. Sales & Service.

■ All was outwardly serene when Chrysler revved up for the 1978 model year wars in the fall of 1977. Chrysler went with the emphasis on compact and intermediate cars in an admitted holding action until Omni and Horizon could come on stream a few months later.

The Dodge Monaco and Plymouth Fury were the biggest cars (except for the moribund New Yorker) and they were yesteryear's intermediates. Dodge Aspen was "the greatest sales success in Dodge History" after a few years with Rex Harrison as spokesman. LeBaron, an intermediate was a "new symbol of leadership."

Diplomat was still "carnapping" and Magnum, a big specialty car, got into that act. C-P said it was its most extensive tv and magazine introduction in history. A month later, Chrysler revived limited rebates on the veteran Furys and Monacos and Chrysler took another blow when Avis announced it would switch from Chrysler products to General Motors cars.

■ The big guns were saved for Omni-Horizon. Chrysler was spending record amounts in all major media. Omni was the prize on national sweepstakes promotions, billed as the multi-purpose car. Horizon was the over-the-road car and both talked gas mileage.

Chrysler was out front of other U.S. automakers with front-wheel-drive and the roomy subcompacts took off. Chrysler piggybacked special option sales on other lines soon after introduction.

It was the last gasp for its cooperative ad program with dealers. It switched the $19,000,000 it contributed to the dealer associations back into factory coffers for use in model 1979.

Omni-Horizon sales momentum was snagged by a report from Consumer Reports magazine that the cars handled unsafely. Despite clean bills of health from federal safety officials, sales slowed and Chrysler was forced to keep the heat on the compacts once more. LeBaron would "Put a little life in your style" and Diplomat switched from carnapping to a "lighthearted" approach.

■ By 1979 model introduction time, optimistic Chrysler marketers were eyeing 15% of the market with their new full-size cars, Dodge St. Regis, Chrysler New Yorker and Newport, along with the new two-door O-H cars and captive imports. The first thing to go wrong was limited availability of the heavily advertised big cars.

Ironically, Chrysler, which had set out to capitalize on what it called confusion in the marketplace, started out by confusing would-be buyers of the big cars. But William W. Bivens, then vp auto sales, said that with old nameplates on new sizes and new names on new sizes people would rethink their buying needs.

"The market is shifting," he said. "The usual reference points, including price differences between segments, are disappearing. Change in the marketplace is good for our corporation. Maintaining the status quo benefits the companies with dominant market shares. Confusion in the marketplace benefits those with a lower market share."

Mr. Dow, then director of marketing, said, "The big cars are not only an important opportunity to gain additional consideration but to gain a foothold in that segment of the market that could set a pattern for Chrysler in years to come."

Mr. Laux, everybody's successor, has indicated the big cars need a relaunch in model 1980.

■ Of the '79 big cars, Mr. Laux said, "I don't know where the cars were originally planned [to fit into the market]. Certainly it was the top-of-the-line, but where it fits against the competition I don't know. Certainly I think there is a place for the car line in our lineup, and we're starting to see that regardless of who the car is competing against, it is moving in the marketplace. Maybe the public is determining where it should be rather than the plans."

In any case, the new 1979 models for Chrysler-Plymouth got some unusual marketing twists. The Chrysler nameplate was to slug it out with Chevrolet and Ford, and Plymouth's small cars were corralled in a single campaign for the first time in a number of years.

Plymouth didn't have one of the big cars—it will for model 1980. Volare was the Plymouth standard bearer. The captive import Plymouth Champ, Horizon and upscale import Saporro were included in a special Plymouth campaign.

Actor Hal Linden spoke for the Newport and Ricardo Montalban for Cordoba. The New Yorker was "the most fabulous New Yorker of them all." The car was even given a party in New York to mark its ad tie-in with Saks Fifth Avenue.

■ Dodge was using the brass band approach for the St. Regis, its big car. Marching bands, dixieland bands and a symphony showed up on tv. Diplomat was touted as a stylish alternative and Aspen was "big for its size."

Colt got the mpg treatment and Omni's slice of life campaign continued. "Dodge is into truckin' like America's into jeans," was lifted from the pickup line to cover all trucks. The smaller Dodges were linked with "That's my Dodge."

It was the old reliable compact twins, Volare and Aspen, leading the sales parade again for Chrysler. V-A racked up sales of 367,433 in 1978 to top all other Chrysler offerings. The sales malaise was dramatic in Volare-Aspen, however. Sales plummeted nearly 200,000 from the 550,527 of 1977.

The new Omni-Horizon subcom-

Top 25 spot tv advertisers

Rank	Advertiser	Expenditures 1978	Expenditures 1977
1	Procter & Gamble Co.	$159,304,900	$114,625,700
2	General Foods Corp.	77,207,700	71,987,700
3	McDonald's Corp.	66,319,600	58,334,900
4	General Mills	51,049,900	44,253,800
5	PepsiCo	46,588,300	40,305,100
6	Coca-Cola Co.	44,434,500	27,264,200
7	Unilever	39,137,400	35,926,600
8	American Home Products Corp.	38,722,200	35,250,500
9	Colgate-Palmolive Co.	34,630,600	34,800,000
10	Kraft Inc.	33,350,600	28,330,400
11	Mobil Corp.	33,294,300	27,834,900
12	American Telephone & Telegraph Co.	33,148,700	28,276,700
13	Chrysler Corp.	32,660,100	29,790,700
14	Wm. Wrigley Jr. Co.	32,426,600	31,979,100
15	Ford Motor Co.	31,287,900	28,033,700
16	Nestle Enterprises	30,116,800	21,714,100
17	International Telephone & Telegraph	28,734,500	27,090,700
18	Warner-Lambert Co.	28,133,200	20,158,600
19	General Motors Corp.	25,073,100	26,748,300
20	A. H. Robins Co.	24,937,800	21,880,600
21	Pillsbury Co.	24,913,400	15,501,800
22	Time Inc.	23,190,700	18,225,000
23	Kellogg Co.	22,244,800	17,250,400
24	Sears, Roebuck & Co	21,091,200	22,072,200
25	Toyota Motor Co. Ltd.	20,195,900	13,294,800

Source: Net time figures from Broadcast Advertisers Reports, and supplied to Leading National Advertisers.

Top 25 network tv advertisers

Rank	Advertiser	Expenditures 1978	Expenditures 1977
1	Procter & Gamble Co.	$261,715,300	$235,251,300
2	General Foods Corp.	169,427,900	143,312,800
3	American Home Products Corp.	111,136,200	108,428,700
4	Bristol-Myers Co.	110,341,400	114,414,700
5	General Motors Corp.	107,826,500	90,699,500
6	General Mills	84,283,200	82,535,000
7	Ford Motor Co.	79,510,600	66,085,400
8	Sears, Roebuck & Co.	71,367,500	80,226,900
9	Philip Morris	67,054,600	31,756,100
10	Johnson & Johnson	64,979,100	48,549,800
11	Chrysler Corp.	60,988,000	31,901,600
12	Unilever	60,507,900	68,418,300
13	Ralston Purina Co.	57,073,900	50,136,400
14	Nabisco	56,506,100	63,024,600
15	Warner-Lambert Co.	55,772,000	62,098,300
16	Sterling Drug	55,507,500	49,252,300
17	Colgate-Palmolive Co.	49,678,200	51,146,300
18	McDonald's Corp.	48,547,300	37,353,600
19	Pillsbury Co.	47,124,200	39,881,300
20	Anheuser-Busch	46,840,800	32,165,400
21	PepsiCo	45,263,800	35,141,100
22	Kellogg Co.	43,221,600	41,650,400
23	Gillette Co.	42,634,300	46,401,900
24	Esmark	41,616,100	34,208,400
25	American Telephone & Telegraph Co.	41,203,400	28,963,100

Source: Net time and program costs from Broadcast Advertisers Reports, and supplied to Leading National Advertisers.

pacts came on fast to rank second with sales of 208,490 in their first year. LeBaron and Diplomat, the upscale V-A offering, actually racked up a sales gain—186,214 to 110,105. Captive imports slipped to 103,292 from 121,292 and vans dipped to 58,271 from 59,147.

■ By January, Mr. Iacocca's influence was being felt. First BBDO and Y&R competed to handle a new combined effort for all its captive imports. BBDO won and the name Mitsubishi came out of the closet. Mitsubishi is a Japanese automaker. Chrysler owns 15% of the firm.

Tag lines read, "Built by Mitsubishi. Sold exclusively by Dodge and Chrysler-Plymouth dealers." The featured cars were Champs, Colt, Arrow and D-50 trucks.

"Mitsubishi was dissatisfied with sales and we're dissatisfied. We had to do something about telling the total story," said Frank Hoag, Chrysler ad director. The campaign was technically oriented and eschewed slice of life.

At almost the same time, Chrysler doubled the budgets for the first quarter of 1979 for its big cars.

Chrysler also named former astronaut Neil Armstrong as corporate spokesman to talk about the engineering features Mr. Iacocca felt had been overlooked. He was later teamed with sports announcer Joe Garagiola in a special spring options sale.

The Armstrong campaign was a heavy one in tv and newspaper. The doubled big car budget was hitting at price comparisons between Newport and Chevrolet Caprice. Then came the gas pinch and sales of everyone's big cars joined those of Chrysler in the doldrums.

Mr. Iacocca got into the act directly. He signed letters and brochures in a direct mail campaign aimed at his former employer, Ford. "Find out for yourself. I did," the headline read. The letter compared Chrysler products with Ford products.

For the Mustang-Omni letter, he wrote, "as far as I know [and he should] Ford doesn't have a small sporty car with front-wheel-drive off the drawing board yet."

A new extended optional warranty plan was tied directly to new car sales. The five-year, 50,000 mile plan was offered free if buyers picked models with special option packages. It was K&E's first campaign for Chrysler.

By 1979 annual meeting time, Mr. Iacocca admitted the campaign had fallen short of expectations because of "timing that was not super"—the energy flap. A spurt in import sales he called a "disaster" together with Chrysler's slumping sales put another pinch on the budget.

So 1980 ad outlay "probably will be down but I wouldn't want to speculate how much right now," he said. Chrysler will still be in there swinging, he said. "Starting this fall we will have some of the most exciting new products . . . and we are going to back them with very effective marketing programs," he said.

■ Chrysler was also cutting back in its overseas operations. It sold its European operations to PSA Peugeot-Citroen for $300,000,000 and 15% of Peugeot; sold its Brazil operations to Volkswagenwerk, and peddled its Venezuela company to General Motors.

Top 25 network radio advertisers

Rank	Advertiser	Expenditures 1978	Expenditures 1977
1	SmithKline Corp.	$5,153,900	$4,320,300
2	Sears, Roebuck & Co.	4,388,300	5,143,400
3	General Motors Corp.	3,171,700	2,915,100
4	American Home Products Corp.	3,155,000	2,765,800
5	Schering-Plough Corp.	2,953,200	2,723,700
6	Wm. Wrigley Jr. Co.	2,902,400	2,123,900
7	Sterling Drug	2,754,700	2,926,800
8	Warner-Lambert Co.	2,678,900	4,191,600
9	Anheuser-Busch	2,483,800	1,842,000
10	Cotter & Co.	2,467,700	2,724,500
11	Hartz Mountain Industries	1,947,300	1,931,800
12	Kraft Inc.	1,901,500	2,368,100
13	Morton-Norwich Products	1,869,000	759,900
14	J. C. Penney Co.	1,671,600	351,100
15	American Telephone & Telegraph Co.	1,633,800	14,100
16	Greyhound Corp.	1,363,900	2,854,900
17	Kmart Corp.	1,304,000	2,101,500
18	U.S. Government	1,198,000	778,600
19	Goodyear Tire & Rubber Co.	1,194,000	601,900
20	Culbro Corp.	1,026,900	1,205,100
21	Interbank Card Assn.	1,006,700	443,700
22	Raytheon Co.	975,000	914,200
23	Revlon	945,700	591,700
24	Rapid-American Corp.	910,200	553,200
25	Time Inc.	815,800	1,119,800

Source: Figures are from Broadcast Advertisers Reports, and supplied to Leading National Advertisers.

Chrysler denied published reports that VW would acquire the rest of Chrysler in the U.S., but speculation continued there would be some major deal with VW in North America where Chrysler has underused plants and VW needs additional production.

Canadian sales of cars slipped to 178,609 from 200,284 and to 18% of the market from 20.2%. Chrysler Financial Corp. earned a record $48,500,000 up from $43,000,000. Service and Parts division reported sales rose 16.7% from the record levels of 1977.

Other personnel changes after Mr. Iacocca joined Chrysler: Mr. Bivens moved from vp-auto sales to vp-general manager of the fleet division; E. Tom Pappert became sales manager, eastern sales and marketing from general sales manager; Al D. Imber moved from manager of truck sales to sales manager, western sales and marketing; Jeff Elpern got the new post of manager, import car advertising, and Richard C. Hotchkiss became manager of product merchandising from Dodge truck ad manager.

ADVERTISING EXPENDITURES*

	1978	1977
Newspapers	$6,000,000	$2,500,000
Magazines	38,600,000	18,000,000
Spot tv	34,600,000	17,700,000
Network tv	59,000,000	33,000,000
Spot radio	3,000,000	2,000,000
Network radio	2,400,000	1,000,000
Direct mail	2,300,000	4,000,000
Outdoor	500,000	500,000
Dealer assn. funds	11,100,000	18,700,000
Other	31,400,000	29,700,000
Total	188,900,000	127,100,000

*Estimated by AA

U.S. AUTOMOTIVE SALES GROUP

MARKETING PERSONNEL

Gar Laux, exec vp, sales & mktg
Jerry H. Pyle, vp, mktg
E. Tom Pappert, sales mgr, East, sales & mktg
Al D. Imber, sales mgr, West, sales & mktg
William W. Bivens, vp, genl mgr, fleet div
Francis G. Hazelroth, genl mgr, service & parts div
Frank Hoag, director, U.S. automotive adv
"Arnie" C. Thomson, mgr, Dodge car & truck adv
William S. Fay, mgr, Chrysler-Plymouth adv
Jeff Elpern, mgr, import car adv
George A. Back, mgr, corp adv
William A. Hammond, mgr, adv & merch services
R. R. Schneider, mgr, media & budget analysis
R. "Ham" Schirmer, director, U.S. automotive merch
Tom Andre, mgr, dealer merch
Richard C. Hotchkiss, mgr, product merch
William R. Coley, mgr, consumer merch
R. A. Houston, mgr, mktg, fleet div
Frank W. Wylie, director, pr sales & mktg
"Moon" Mullins, mgr, pr-sales & mktg
John McCandless, mgr, pr-Dodge car & fleet & leasing
Lee Sechler, mgr, pr Chrysler-Plymouth
Martin Whitmyer, mgr, pr-truck & recreational vehicles
Thomas F. Houston, mgr, pr-service & parts sales
Joe Tetherow, West Coast pr mgr

ADVERTISING AGENCIES

Kenyon & Eckhardt Advertising, Detroit-New York—John J. Morrissey, chairman; Leo Arthur Kelmenson, president & ceo; Ron DeLuca, exec vp; David Gillespie, chairman emeritus. Chrysler-Plymouth: Bruce Andrews, senior vp & mgmt super; Michael V. Howe, acct super-Chrysler; Lynn H. Vernon, vp & acct super-Plymouth. Dodge Car and Truck: Louis G. Maloof, senior vp & mgmt super; Bruce D. McRitchie, vp & senior acct super; John Miley, vp & acct super-car; William Oswald, vp & acct super-truck. Chrysler corporate, import cars, service & parts div, financial, fleet & lease, performance parts: David L. Kerr, senior vp & mgmt super; Bob Borgan, vp & acct super-corporate, import cars, fleet & lease; Walter Dunne, vp & acct super, service & parts div, performance parts; Robert Colgan, vp & acct super-domestic overseas. Chrysler-Plymouth Dealer Assn. & Dodge Dealer Assn.: J. P. Hickey, vp & mgmt super; J. Russell Hamilton, vp & acct super, Chrysler-Plymouth; Joseph Cronin, vp & acct super, Dodge. Phil Matz, vp & media director; Tom Blanchard, vp & creative director.

Ross Roy Inc., Detroit—corporate merch and ad divs—Richard C. Ward, senior vp, director of merch group; Joseph V. Karle, senior vp, group acct super, service parts and fleet div.; Arthur C. Liebler, senior vp, mgmt super, merch group; Alan R. Hibbert, senior vp, creative director, merch group; F. Robert Steiger, senior vp, exec arts director, merch group; John F. Hansen, senior vp, field service super; James H. Erkfitz, vp, acct super, truck operations; Charles A. Hernandez, vp, acct super, dealer merch; Richard J. Kociela, vp, director of product rsch; Douglas D. Muncy, vp, acct super; R. John Oliver, vp, acct exec, director merch; Robert H. West, vp, acct exec, dealer training; William J. Donaldson, vp, mkt planning & rsch; Donald E. Delozier, vp, administration services.

CHRYSLER-PLYMOUTH ADVERTISING EXPENDITURES*

	1978	1977
Newspapers	$2,000,000	$500,000
Magazines	20,000,000	7,400,000
Spot tv	15,400,000	9,100,000
Network tv	30,000,000	16,500,000
Spot radio	400,000	500,000
Network radio	400,000	—
Direct mail	500,000	2,000,000
Outdoor	200,000	300,000
Dealer assn. funds	5,500,000	9,400,000
Other	—	—
Total	74,400,000	45,700,000

*Estimated by AA

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Horizon	118,993	—
Volare	210,125	306,518
Voyager	13,895	13,767
Fury	60,378	92,056
Gran Fury	980	31,692
Arrow/Champ (import)	28,296	47,345
Sapporo (import)	12,777	1,406
Total Plymouth	445,444	492,814
LeBaron	125,558	70,037
Cordoba	105,442	142,619
Chrysler	67,892	104,356
Total Chrysler	298,892	317,012
Total C-P division	744,336	809,826

DODGE CAR & TRUCK ADVERTISING EXPENDITURES*

	1978	1977
Newspapers	$2,000,000	$500,000
Magazines	17,000,000	9,300,000
Spot tv	15,700,000	7,900,000
Network tv	29,000,000	16,500,000
Spot radio	1,000,000	500,000
Network radio	1,000,000	—
Direct mail	1,800,000	2,000,000
Outdoor	300,00	200,000
Dealer assn. funds	5,600,000	9,300,000
Total	76,400,000	46,200,000

*Estimated by AA

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Omni	89,497	—
Aspen	157,308	244,009
Sportsman	44,376	45,380
Diplomat	60,656	40,072
Monaco	37,594	59,559
Magnum/Charger	48,326	37,405
St. Regis/Royal Monaco	5,238	32,248
Colt (import)	44,570	70,679
Challenger (import)	17,649	1,832
Total Dodge cars	505,214	531,188
Compact trucks	238,916	226,434
Conventional trucks	247,074	242,727
Total Dodge division	991,204	1,000,349

MARINE DIVISION

MARKETING PERSONNEL

John S. Cox, director, mktg

Advertising Agency

Kenyon & Eckhardt Advertising, Detroit/New York—David L. Kerr, senior vp & mgmt super; Walter Dunne, vp & acct super.

INTERNATIONAL OPERATIONS

MARKETING PERSONNEL

Richard S. Cook, mgr, intl adv & merch

Advertising Agency

Kenyon & Eckhardt Advertising, Detroit/New York—Robert Colgan, vp-acct super.

AMPLEX DIVISION

Marketing Personnel

John Doyle, sales mgr

Advertising Agency

Ross Roy Inc., Detroit—John Hendrie, acct super.

ADVERTISING EXPENDITURES* CORPORATE AND ALL OTHER

	1978	1977
Newspapers	$2,000,000	$1,500,000
Magazines	1,600,000	1,300,000
Spot tv	500,000	700,000
Spot radio	1,600,000	1,000,000
Network radio	1,000,000	1,000,000
Other	31,400,000	—
Total	38,100,000	5,500,000

*Estimated by AA

Clorox Co.

	1978	1977
Sales+	$1,046,577,000	$872,817,000
Earnings+	34,645,000	32,265,000
Advertising*	62,100,000	49,774,300

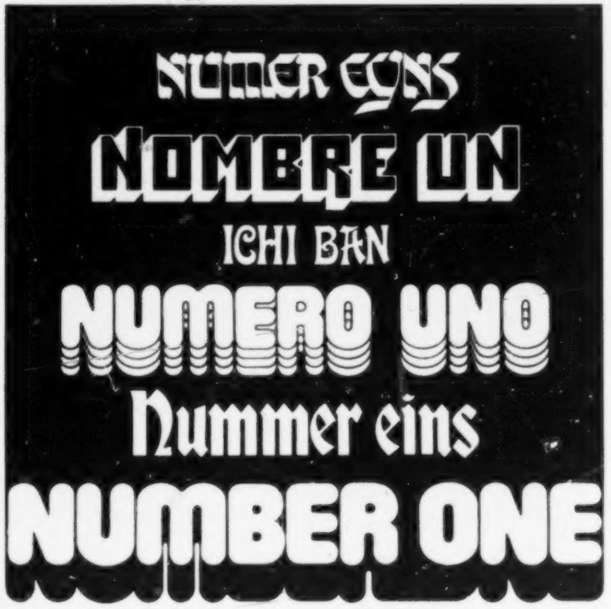
+For fiscal years ended June 30, 1978, and 1977

*Estimated by AA

Clorox Co., Oakland, Cal., the 92nd largest national advertiser, boosted its ad investment about 25% in 1978 to an estimated $62,100,000, up from $49,774,300 in 1977.

For the fiscal year ending June 30, 1978, the company said it put $60,477,000 into advertising.

Sales for fiscal 1978 were $1.05 billion, up almost 20% over 1977's $872,800,000. Earnings rose 7%, from $32,300,000 in 1977 to $34,645,000.



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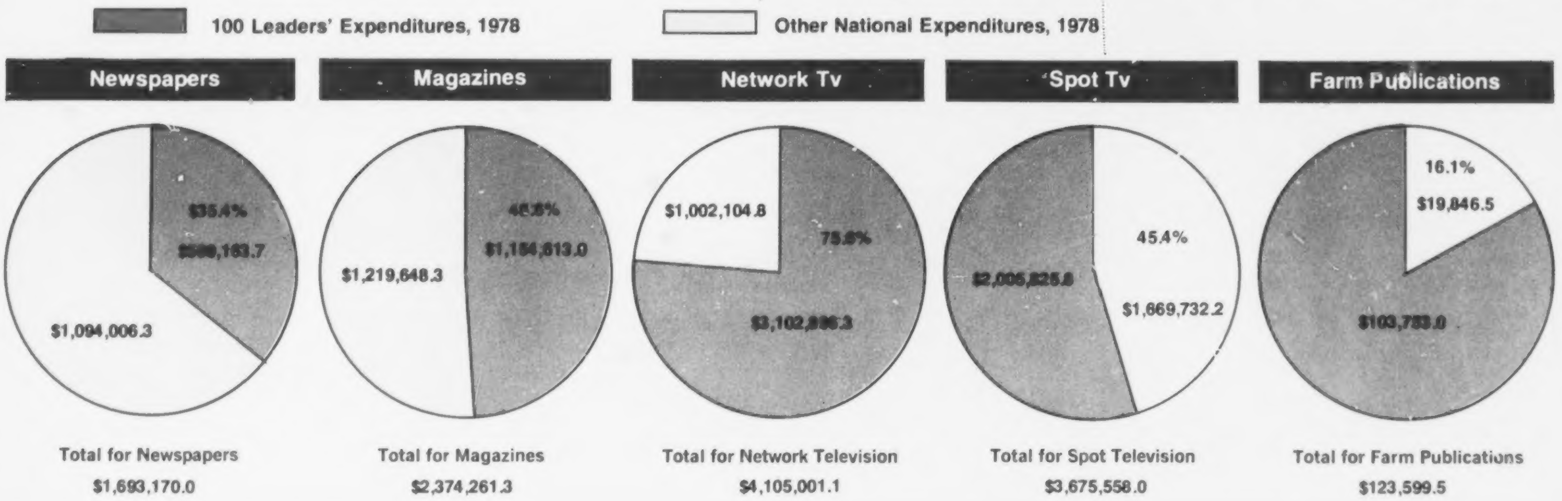
1978 AD $ SUMMARY

See page 137

LNA

100 leading national advertisers account for



MARKETING PROFILES

Clorox liquid bleach got the biggest chunk of the measured ad budget with $10,621,900, followed by Clorox 2 bleach powder at $6,247,300.

- Dominant in the liquid bleach market in the U.S., Clorox made strides overseas in 1978, acquiring Spain's leading manufacturer of liquid bleach, S.A. Casamitjana Mensa of Barcelona whose brands El Conejo and Neutrex lead the market in that country.

However, it was Saudi Arabia that was the fastest growing overseas market for Clorox liquid bleach, where plans are underway for construction of a second bleach manufacturing plant.

Clorox 2 bleach powder faced increased competition and an aggressive barrage of comparative advertising by the Gold Seal Corp., Bismarck, N.D., distributor of Snowy bleach. Snowy ads, "A little Snowy bleaches like a lot of Clorox 2" on network tv and women's service magazines have been repeatedly challenged by Clorox with the National Assn. of Broadcasters, the tv networks, magazine publishers and other trade groups.

But the Snowy campaign, now in its third year, has resulted in an erosion of Clorox' share of the market, now estimated at 67%. Snowy's share is estimated at 25%.

- Kingsford Charcoal, another major Clorox brand, set sales records in 1978 though it received only $2,563,000 of the measured ad budget. Magazine and network tv ads continued to emphasize "the Kingsford edge," the fast lighting characteristic of the charcoal, which had long been the only nationally sold brand.

But Kingsford's edge on the $213,000,000 charcoal market was challenged for the first time in the spring of 1979 by Husky Industries, Atlanta, Ga., with Royal Oak, the second charcoal to be sold nationally.

Network tv ads for Royal Oak featured music by the Royal Philharmonic orchestra of London and *TV Guide* ads stressed the "outdoor flavor" of the hickory smoked flavor enhancers in the briquets.

Barbeque industry sources predicted a tough battle and suggested the competition would spur sales of other barbeque related products.

Clorox also began testing Match Light, lighter fluid smoked briquets, in Dallas, Denver, San Diego and Omaha in the summer of 1978.

- Clorox prevailed against a challenge to its Hidden Valley Ranch Style salad dressing mixes by General Foods which introduced a similarly named product.

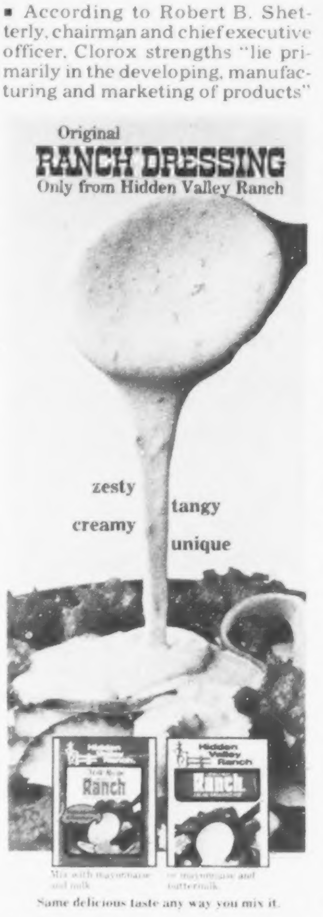
In an out of court settlement, General Foods agreed not to use the term "ranch style" in its dressing mixes; the brand name was changed to "Farm Style."

Clorox added a second mix to the Hidden Valley line, Milk Recipe formula, which was rolled out nationally during 1978. An estimated $3,175,400 was spent on Hidden Valley ads.

With profits down by five cents a share during the first quarter of fiscal 1979, Clorox sold one of its least profitable subsidiaries, Martin-Brower Co., a food and restaurant supply distribution company.

Martin-Brower, the largest supplier of McDonald's, was sold to Dalgety Inc., U.S. subsidiary of London's Dalgety Ltd.

- According to Robert B. Shetterly, chairman and chief executive officer, Clorox strengths "lie primarily in the developing, manufacturing and marketing of products" rather than distribution services.


Original
RANCH DRESSING
Only from Hidden Valley Ranch
zesty
tangy
creamy
unique
Hidden Valley Ranch
Ranch
Hidden Valley Ranch
Ranch
Mix with mayonnaise and milk
or mayonnaise and buttermilk
Same delicious taste any way you mix it.

Clorox' Hidden Valley Ranch Style dressing mix prevailed on its legal battle to keep exclusive use of the "ranch style" term.

In June of 1979, Clorox sold its County Kitchen Foods mushroom division in Great Britain to H.J. Heinz Ltd. The company still retains ownership of Moore's Foods, Fort Atkinson, Wis., which sells seafood and other breaded specialties both in the consumer and food service markets.

Of the two newest household products introduced by the company, Sunburst window and glass cleaner and Twice as Fresh solid air freshener, the latter was expanded into national distribution in the fall of 1978.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$279,800	$662,600
Magazines	6,560,500	6,102,700
Spot tv	5,712,100	5,119,900
Network tv	34,125,400	28,423,900
Spot radio	100,800	464,000
Outdoor	—	1,200
Total measured ..	46,778,600	40,774,300
Unmeasured	15,321,400	9,000,000
Estimated total ..	62,100,000	49,774,300

MARKETING PERSONNEL

R.B. Shetterly, chairman, ceo
F.H. Shutt, president
Calvin S. Hatch, exec vp
Carl V. Stinnett, vp sales
C.J. Swenson, vp, household products div
Robert A. Bolingbroke, vp, Kingsford div
D.L. Spencer, adv mgr, household products
D.R. Johnson, adv mgr, Kingsford div
David L. Goodman, vp, public affairs & mktg services
E.R. Belinn, adv mgr, Clorox food service products div
Patricia T. Korr, mgr, media

ADVERTISING AGENCIES

Foote, Cone & Belding/Honig, San Francisco-Clorox bleach, Clorox 2, Formula 409, Soft Scrub—C.L. Gould, mgmt super.

Botsford Ketchum, San Francisco—Liquid Plumer, Litter Green, Cooking Ease, Kingsford briquets, Duraflame logs, Moore's consumer products—D. Odishoo, G.E. Meredith, mgmt supers.

Young & Rubicam/West, Los Angeles and San Francisco—B&B Mushrooms, Cream of Rice hot cereal, Kitchen bouquet, Matchlite, Salad Crispins, Hidden Valley Ranch style salad dressings—R.A. McLean, mgmt super.

The Merchandising Factory, San Francisco—food service products—M. Hungler, acct super.

Scott Inc., Milwaukee-Moore's food service adv—R. Reynolds, acct super.

Coca-Cola Co.

	1978	1977
Sales	$4,337,900,000	$3,619,800,000
Earnings	375,700,000	331,200,000
Advertising*	138,805,300	88,981,900

***Estimated by AA**

The Coca-Cola Co., Atlanta, the 22nd largest national advertiser, increased its ad spending to an estimated $138,805,300 in 1978, a 56% increase over 1977 spending that surpassed the company's previous high of $91,334,540 in 1976.

Total net sales rose 19.8% to $4.34 billion in 1978, while company earnings rose 13.1% to $374,700,000. Overseas operations contributed 46% of sales income, compared to 44% in 1977.

The company's flagship brand, Coca-Cola soft drink, received the bulk of media spending in television, with $17,771,300 allocated for spot tv and $14,004,300 in network tv. An additional $773,100 was secured for magazines. Over-all, the company poured $84,537,400 into network and spot tv. TAB and Fresca, the company's low-calorie soft drinks, received combined tv spending of about $14,000,000.

The Coca-Cola Co. maintained its perennial industry lead with a market share of approximately 27%, a comfortable margin above arch-rival PepsiCo's 17% share and Seven-Up's 6% piece of the beverage market. TAB leads the low-cal segment.

- Coke responded to the three-year-old "Pepsi challenge" campaign with a new tactic, this time with tv commercials emphasizing "Coke is lighter" because it has 5% fewer calories than Pepsi. The Pepsi challenge is a blind taste test in which consumers choose Pepsi in preference to Coke.

The two marketers are battling over more than blind taste tests. Coke is making its move to shake Pepsi's Soviet Union stronghold by readying a marketing blitz as the official drink of the 1980 Moscow Olympics. It will be Coke's first entry into the previously Pepsi-only territory.

U.S. recognition of the Peking government in December, 1978, opened up more opportunities for the company on the international front. The Atlanta-based marketer was granted sole privilege of selling cola-flavored drinks on mainland China. Installation of a bottling plant in Shanghai is expected to begin before year-end, with distribution scheduled for major cities and tourist spots.

Despite this seeming progress, the Shanghai Advertising Corp. (which handles advertising for all of China) recently (June, '79) denied Coca-Cola Co.'s request to contract for advertising in the country's two major cities. An agency exec said, "We must see whether we need the product or not before we advertise."

Until a decision is reached, no native Chinese can purchase Coca-Cola in China. Hong Kong-imported Coke is available only to foreigners and tourists.

Back on the home front, the theme song, "Give me a smile . . . and I'll pass it on" brought a new twist to the three-year-old "Coke adds life" campaign. McCann-Erickson produced a number of spots using music, summer sunshine and happy people enjoying life to convey a pleasantly energetic mood.

Recently, Coke announced plans to go the celebrity route, signing on comedians Bob Hope and Bill Cosby for commercials and magazine ads breaking July 1. The new pitch, "Have a Coke and a smile," is an extension of the "Coke adds life" campaign.

In February, 1978, the soft drink giant made a push for the black market, offering a premium of prints of eight great black Americans to commemorate black history month. Sixty-second biographies of black Americans also appeared as public service radio spots. Adair Advertising handled the minority campaign. In addition, Coca-Cola Co. sponsored the PBS telecast "Langston," a program based on the work of black poet-laureate Langston Hughes.

- Coca-Cola Co.'s soft drink lineup was joined this June by Ramblin' root beer, which began testing in Salt Lake City and Baton Rouge, La. Kenyon & Eckhardt devised the slogan "You're something more." The new root beer is part of the company's strategy to keep its bottlers from using as few other soft drink suppliers as possible.

Another newcomer, Mello Yello, appeared on the roster in June, 1978, as a me-too version of Pepsi's old but recently revived Mountain Dew. Spots by McDonald & Little, Atlanta, touted the low carbonation beverage as "the world's fastest soft drink"—referring to its smooth, easy to drink qualities. Its first test was successful enough to prompt a major rollout this March, with a year-end goal of distribution in 50% of the country.

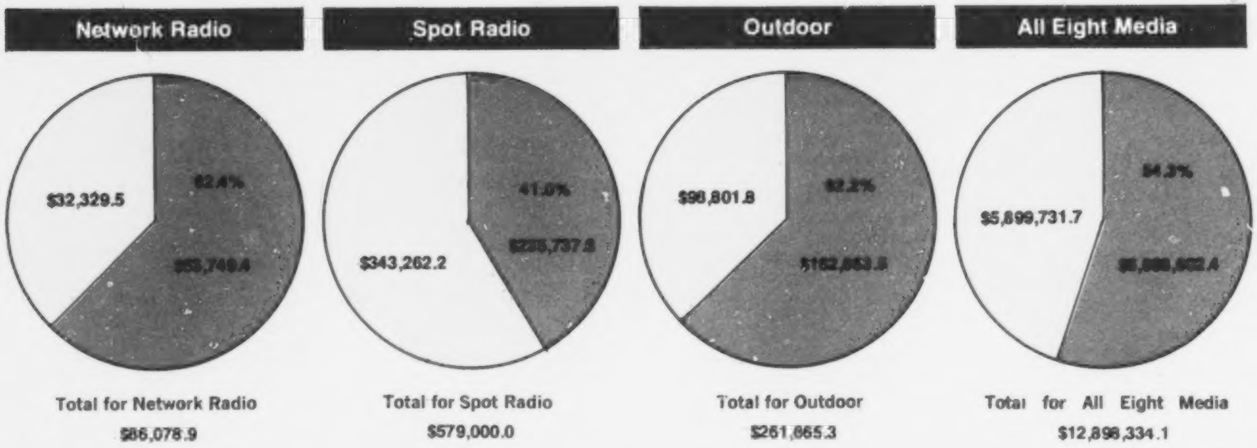
The company spent approximately $14,000,000 promoting its diet soft drinks, TAB and Fresca, mainly in spot and network tv. New packaging graphics and "New beautiful people" commercials helped push TAB to the No. 1 position as favorite low-cal drink among all soft drink consumers (not just dieters).

Marschalk Co., New York, continued ads for Mr. PiBB with the tagline, "Have a PiBB, Mr." In the tv, radio, print and outdoor campaign, young people gulp the cherry-flavored cola while engaged in vigorous outdoor sports. Spending was slightly under $2,000,000.

Sprite, Coca-Cola Co.'s lemon/-lime offering, was reintroduced to the New York market after a many-year hiatus with a new $3,000,000 campaign, again by Marschalk. Regular and sugar-free Sprite appeared on shelves in both bottles and cans. Ad theme was "Tastes like a lymon."

The foods division is the company's marketing arm for a variety of products outside the car-

giant share of expenditures in most media



Of $12.9 billion invested by national advertisers in eight media last year, more than half ($7 billion) came from the 100 leading national advertisers, as shown in these charts. Sources: Leading National Advertisers; Broadcast Advertisers Report; Radio Expenditure Reports; Institute of Outdoor Advertising; Outdoor Advertising Assn. of America; Radio Advertising Bureau; Agricultural Marketing Information Service (AGRICOM); Newspaper Advertising Bureau.

bonated beverage category, including the Minute Maid, Hi-C, Snow Crop, Taylor, Butternut and Maryland Club brand names. According to Leading National Advertisers, approximately $31,366,000 was spent in media for this division in 1978. Coca-Cola Foods and other nonsoft drink operations account for 24% of total sales worldwide.

Under the Minute Maid umbrella, lemonade crystals rocketed to new heights in the powdered drink category, achieving the No. 1 dollar share just one year after its national rollout in January, 1978. Lemonade frozen concentrate was repackaged to coordinate ads between it and the crystals.

Two other new citrus products boosted foods division sales substantially—Hi-C 6-flavor powdered drink line,and ready-to-serve peach flavor fruit drink. Ads by McDonald & Little play up the Hi-C name and the slogan, "You know how good it is."

And, despite tight supplies and higher prices, consumer demand for Minute Maid juices remained high, securing a place for the Minute Maid name as leading national brand of citrus juice products.

■ Five Alive, a new all-natural frozen concentrate fruit beverage, appeared in test in Indianapolis, Seattle and St. Louis on the Snow Crop label. Snow Crop frozen orange juice is also marketed by Coca-Cola Co. in several major metropolitan areas.

In September, 1978, the Taylor wine unit of the company's wine group went to federal court seeking advance approval from the Bureau of Alcohol, Tobacco & Firearms for its comparative taste test spots naming several rival brands. Unable to obtain advance clearance, Taylor went ahead as planned with the controversial $1,500,000 campaign. Ads broke Oct. 1, bringing cries of outrage and foul play from several other wineries.

Only one and a half months later the ads were voluntarily pulled following a meeting with BATF investigators and held in abeyance as the federal agency reviewed its 40-year-old alcohol ad rules. Meanwhile, new spots appeared in February, this time with no name-dropping. Kenyon & Eckhardt handled.

Coca-Cola Co.'s leadership extends to nonbeverage interests as well. Aqua-Chem is its largest subsidiary, leading in the manufacture of desalination and water purification equipment. Aqua-Chem also produces boilers, membrane filtration and effluent processing systems.

In May, 1978, the marketer acquired Presto Products, maker of plastic bags and other blown film products. It joins Belmont Springs Water Co. (domestic bottled water), Universal Water Systems (water conditioning equipment) and Winkler/Flexible Products (plastic straws and cutlery) under the Coca-Cola Co. umbrella. A new Consumer Technologies division was formed this May to unite these companies under central management.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$4,293,700	$3,451,000
Magazines	3,116,400	3,426,700
Spot tv	44,434,500	27,264,200
Network tv	40,103,900	18,094,800
Spot radio	6,278,800	4,270,000
Network radio	———	444,300
Outdoor	2,578,000	2,030,800
Total measured	100,805,300	58,981,900
Unmeasured	38,000,000	30,000,000
Estimated total	138,805,300	88,981,900

MARKETING PERSONNEL

John W. Georgas, vp corp mktg director
James Brandhorst, corp ad mgr

COCA-COLA USA

MARKETING PERSONNEL

Herbert Arnold, fountain sales
Homer Burrous, vp, bottler sales
William W. Van Loan, vp, mktg operations
G. Donald Wilson, vp, mktg devel
Peter Sealey, vp, mktg planning
Roy Stout, vp, mkt rsch
William Sharp, vp, adv mgr
R. Bruce Gilbert, vp-mgr, image dominance program
Fleetwood Price, mkt mgr, special mkts

COCA-COLA CO. FOODS DIVISION

MARKETING PERSONNEL

E. V. Amoroso, vp, director, mktg
A. G. Munkelt, vp, director, mktg planning, frozen & chilled products
M. P. Youngjohn, group brand mgr, frozen products
John Weslar, group brand mgr, Hi-C drink products
Frank Blod, group brand mgr, coffee products
Jay Mower, mgr, new products
R. V. Fey, vp, genl mgr, sales & merch
C. E. Owens, vp, director, sales
N. W. Jenkins, vp, director, food service

THE WINE SPECTRUM

MARKETING PERSONNEL

Albert E. Killeen, president
Lloyd G. Magee, senior vp
Michael V. Cheek, vp, sales
Grant R. Curtis, vp, mktg services
Michael P. W. Stone, vp, mkt devel

AQUA-CHEM

MARKETING PERSONNEL

G. Roy MacGregor, vp, mktg & sales, Cleaver Brooks div
Richard Schantz, vp, mktg, Water Technologies div
Lee Danielson, vp, mktg & sales, Industrial Combustion Inc.
W. Worth Ware, director, adv and pr (corporate and divs)

CONSUMER TECHNOLOGIES

MARKETING PERSONNEL

Jim Spanbauer, vp, mktg, Presto Products
G. W. Wickland, vp, sales—western, southern regions, Presto Products
John Farris, sales—eastern, central regions, Presto Products
Bob Parnall, institutional—industrial & molded products sales, Presto Products
Paul Winkler, president, director of mktg, Winkler/Flexible Products
Mike Burch, mgr, national sales, Winkler/Flexible Products
Lindsey Harper, president, director, mktg, Belmont Springs Water Co.
William E. Bergmann, president, director, mktg & sales, Universal Water Systems

ADVERTISING AGENCIES

McCann-Erickson, Atlanta—all brands—Charles J. Hamm, exec vp, worldwide; Coca-Cola—Alan Bender, senior vp, mgmt rep; Peter Hamilton, vp, mgmt super; Robert Schmidt, vp, acct super, sales promo and merch; Dan Dodson, senior vp, fountain group; Wayne Thornhill, vp, acct super, TAB; Jack Baity, senior vp, field operations; Steve Crawford, acct super, new products; Robert Ravitz, senior vp, new products. Coca-Cola Export Corp.—Ron Sugarman, senior vp, mgr; Harry Matthei, senior vp, mgmt super; Clark Ford, vp, acct super, Europe; George Teichholz, vp, acct super, North and South America; Arthur O'Brien, acct super, Coca-Cola, Fanta, Sprite. New York—Coca-Cola—Lawrence Glucs, acct super; Jim Buckley, acct super, TAB.

Bozell & Jacobs, Milwaukee—Aqua-Chem and divisions—M. McGlinchey, acct super; G. Boehm, media services; B. Stroschein, creative director; F. Gaca, pr acct exec.

Burrell Advertising, Chicago—black consumer adv—Ronald Sampson, exec vp, client services; Sarah Bozeman, senior vp, mktg services; Eugene Morris, vp, acct super; Lowell Thompson, associate creative director.

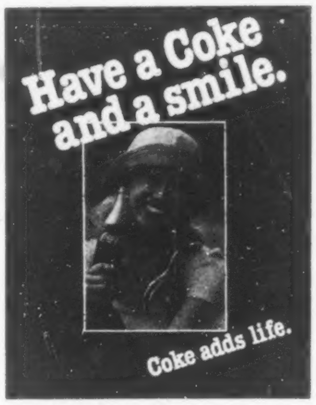
Kenyon & Eckhardt Advertising, New York—The Wine Spectrum—W. W. Young, vp, mgmt rep; H. M. Bybee, vp mgmt super; D. S. VanAmerongen, M. W. Hicks, acct execs; R. J. McGreevy, asst acct exec. Coca-Cola USA—W. W. Young, vp, mgmt rep; M. F. Weinstein, acct exec. Foods division—W. W. Young, vp, mgmt rep; M. C. Hoene, vp, acct exec. Agency Management—L. A. Kelmenson, president-ceo; S. O. Frankfurt, exec vp, director, creative planning & devel; J. B. Balson, senior vp, genl mgr, N.Y.; H. D. Maneloveg, senior vp, director, media services, programing & media rsch; C. E. Overholser, senior vp, director rsch services.

Marschalk Co., New York—Minute Maid frozen concentrated orange juice, chilled orange juice, frozen and chilled variety juices, ades and punch, Minute Maid lemonade crystals and 100% pure frozen lemon juice—Dick Villante, senior vp, mgmt service director; Marsha Badanes, vp, acct super; Bill Penningham, acct exec. Minute Maid FCOJ—Sam Chisholm, acct super; Peter Fedyck, acct exec. Minute Maid frozen variety juices—Gordon Hedwig, acct super. MM chilled products and MM lemon juices—Leslie Herrlinger, acct exec. MM lemon juice. Sprite and sugar-free Sprite, Mr. PiBB and sugar-free Mr. PiBB—Jack Morrison, senior vp, mgmt service director; Don Richards, vp, acct super. Sprite—Kent Laymon, acct exec.

McDonald & Little, Atlanta—Hi-C brand fruit drinks and drink mixes—E. Donald Challis, senior vp, mgmt super; P. J. Quigley, vp, acct super; Richard W. Upson, vp, acct super; Al D. Kitchen, David P. Fitzgerald, John Fricks, Donald X. McDonald, acct execs. Fresca—Dick Thomson, mgmt super; Ken McCarren, acct super; Don Hofmann, acct exec. Mello Yello—Dick Thomson, mgmt super; Peter Reder, acct super.

Tinker Campbell-Ewald, New York—Snow Crop, Bright & Early, new products—Jack Dauer, mgmt super; Charles Richardson, Michael Kammerer, acct supers.

Campbell-Mithun, Minneapolis—Butter-Nut, Maryland Club coffees.


Have a Coke and a smile.
Coke adds life.

Celebrities helped break Coca-Cola's "Have a Coke and a smile" campaign, which was launched July 1.

Colgate-Palmolive Co.

	1978	1977
Sales	$4,31[illegible],954,000	$3,874,825,000
Earnings	175,572,000	165,708,000
Advertising*	122,500,000	120,000,000

*U.S. only; estimated by AA

Colgate-Palmolive Co., New York, the 29th largest national advertiser, continued to hold ad increases to a minimum—about 2%—despite the introduction and expansion of several major new products.

Worldwide sales rose 11% to $4.3 billion and earnings 6% to $175,572,000. Earnings in relation to sales continued to slip, to 4.1% down from 4.2% the previous year, but up from 3.3% in 1970.

Worldwide, Colgate invested $260,387,000 in media advertising, up from $243,546,000 in 1977.

During the year, Colgate acquired AJD Cap Corp., which was assigned to the sports and recreation division, and Princess House, marketer of lead crystal, china, flatware and accessories via home party plans.

This year, Colgate was within days of closing a deal that would have rid it of troubled Helena Rubinstein Inc., but the sale to Kao Soap Co. fell through at the last minute.

■ The company reported that sales of its household products division rose 5% in 1978, reflecting strong performances by heavy and light duty detergents and the expansion of Dermassage dishwashing liquid and Fresh Start laundry detergent.

Other strong performances were shown by Palmolive Gold soaps and Pine Forest Ajax all-purpose cleaner. In the personal care division, Colgate attributed increased sales to a new Colgate toothpaste theme, "the clean in your mouth is Colgate," and the rollouts of Fluorigard dental rinse and Mersene denture cleanser.

Curity first aid products improved distribution and Colgate Instant Shave posted record sales as it continued to lead the market in units sold, according to Colgate.

Colgate's share of the $1.6 billion detergent market continued to slide, down to 12% last year, as the gap widened behind rivals Procter & Gamble and Lever Bros.

Fab powder is Colgate's biggest selling brand with over a 3% market share, followed by Dynamo at just under 3%, Cold Power at 2.5% and Ajax at 2%. The company put into test Carefree combination detergent and fabric softener and Fab liquid. Fresh Start, a powder in a bottle, captured over a 1% share prior to rolling national.

■ Heaviest measured backing went to Fresh Start ($7,000,000), followed by Dynamo ($6,900,000), Fab ($5,000,000) and Cold Power ($4,300,000). Ajax, which received $3,600,000 in 1977, was backed by less than $6,000 in 1978.

In the light-duty market, Palmolive remained Colgate's strongest entry as measured backing continued at the $7,000,000 level.

Spending for Dermassage dishwashing liquid was reduced slightly to $3,100,000, while Ajax dishwashing liquid received about half that amount. Ajax cleanser, the No. 2 entry behind Comet, was reduced to $700,000 in ad backing, down from $1,800,000 the previous year.

Colgate holds about 10% of the toilet soap market. Irish Spring, its biggest entry, has about half of the total. Cashmere Bouquet, Palmolive and Dermassage account for the rest. The company also put Experience toilet soap into test late last year. Heaviest backing by Colgate went to Irish Spring with a $5,600,000 ad effort. The Palmolive line received about $2,700,000.

■ Other entries from the household products division include Baggies, the No. 2 entry, which received just over $2,000,000 in ad spending; Axion presoak, with $1,300,000 in advertising; Handi-Wipes with $2,300,000; Ajax liquid cleaner with $3,700,000, and the Ajax line with $1,400,000.

In the personal care products division, Colgate reported that two major promotions—Savings Bonanza and Cash In—contributed to sales and earnings advances.

To maintain its No. 2 slot of over 20% of the dentifrice market, the company backed Colgate toothpaste with $15,000,000 in measured media and aimed to increase adult usage with advertising emphasizing a "fresh, clean taste." Colgate continued to support Ultra Brite, about a 5% share brand, with advertising promising "whiter-looking teeth are just one tube away." Spending totaled $4,200,000.

The division rolled out two new products last year, Mersene den-

MARKETING PROFILES

ture cleaner and Fluorigard anticavity rinse. The company promised to spend at a $13,000,000 annual national rate for Fluorigard and is expected to settle in at about a 5% share of the mouthwash category.

Ad spending last year amounted to $2,800,000 for Fluorigard and $1,800,000 for Mersene. The division also began testing Respond shampoo and Hair Defense "hair cuticle protector." Other major spending, $2,300,000, went into the Curad first aid line. Colgate said it is the No. 1 marketer of shave cream with a 27% share for its Rapid Shave and Instant Shave brands.

- The company's sports and recreation division continued its trend of sales and franchise improvement. It expanded into the baseball and souvenir cap market through the acquisition of AJD Cap Corp. Measured media spending for a variety of sports equipment, clothing and tournaments exceeded $3,000,000.

The division continued media support of established businesses and tournaments, while supporting new product activities, including Ram golf equipment, Bancroft rackets, Tretorn shoes, Etonic golf and running shoes, Fred Perry tennis shoes, Southern Athletic and Bike products and AJD caps. Heaviest support was behind Ram, Bancroft and Etonic products, but no line received over $400,000 in measured media.

- The company's food business showed mixed results. Sales rose 20%, but earnings failed to meet expectations due to higher cost of basic ingredients and introductory expenses in rolling out new products, according to Colgate. The company's candy business and restaurant operations also turned in poor performances.

Success boil-in-bag rice was the heaviest backed food entry, with $2,800,000 in measured media, followed by Hebrew National kosher franks with $800,000. Other Riviana rice brands are Carolina, Mahatma, River, Water Maid and Bake It Easy. The company also markets Hills pet foods and MBT broth.

Early this year, there were a number of top management changes at Colgate, following the sudden resignation of chairman/chief executive officer, David Foster. Keith Crane, president, also assumed the ceo title.

Within weeks, he created a new level of management and elevated Reuben Mark, William Powell and Roderick Turner to group vps.

Mr. Mark has responsibility for household products, personal care products, Associated Products divisions, the marketing services department as well as other manufacturing and purchasing areas.

Mr. Powell is responsible for all diversified companies except Riviana and Mission Hills, which report directly to Mr. Crane. Mr. Turner is responsible for international.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,719,900	$1,621,300
Magazines	6,529,900	6,283,500
Farm Publications	128,200	—
Spot tv	34,630,600	34,800,000
Network tv	49,678,200	51,146,300
Spot radio	2,705,300	1,367,000
Network radio	504,100	170,500
Outdoor	9,300	37,300
Total measured	96,905,500	95,425,900
Unmeasured	25,594,500	24,574,100
Estimated total	122,500,000	120,000,000

COLGATE-PALMOLIVE CO.

MARKETING PERSONNEL

Keith Crane, president/ceo
Reuben Mark, group vp
William Powell, group vp
Roderick Turner, group vp

HOUSEHOLD PRODUCTS DIVISION

MARKETING PERSONNEL

John Watkins, vp-genl mgr
A.X. DeNisco, R.E. Blanchard, M. Ferencz, M.J. Jennings, group product mgrs

PERSONAL CARE PRODUCTS DIVISION

MARKETING PERSONNEL

R.A. Champlin, vp-genl mgr
D.L. Enfield, E.P. Niehaus, M.C. Johnson, group product mgrs

ASSOCIATED PRODUCTS DIVISION

MARKETING PERSONNEL

L.K. Hollering, vp-genl mgr
W.R. Voorhees, A.P. Chadourne, E.V. Raggio, group product mgrs

MARKETING SERVICES DIVISION

G.S. Parker, mkt rsch director
A. Allen, vp-creative services
D.E. Jordan, vp-adv intl
N.J. McHugh, director-technical pkg
H.D. Way, director-media
S.A. O'Brien, director business rsch
E.G. Winterhoff, director-new ventures
W.E. Melick, director-sales promo

ADVERTISING AGENCIES

D'Arcy-MacManus & Masius, New York—Baggies, Dynamo, Palmolive soap, Dermassage, Handi-Wipes, Wildroot—Mark Cooper, senior vp-mgmt super; Stephen Rhodes, director-mktg services; Alex Berger, acct super, Baggies, Dynamo, Palmolive, Dermassage, Wildroot; J. Dixon Byrne, acct super, Handi-Wipes; Chris Ponzio, acct exec, Wildroot, Palmolive; Paul Delapalme, acct exec, Dynamo; Nina Dansky, acct exec, Baggies, Dermassage; George Hiller, acct exec, Handi-Wipes.

Norman, Craig & Kummel, New York—Cold Power, Mersene, Ajax all purpose cleaner, Ajax cleanser, Pine Forest Ajax, House of Ajax—Fred Thomson Jr., exec vp/mgmt super; Karen Stanton, intl coordinator; Alistair Beattie, mgmt super; Mary Ann Lambert, account super, Mersene; Debbie Forman, senior acct exec, Mersene; Janet Burnett, asst acct exec, Mersene; Alfred L. Evans Jr., senior acct super, Ajax products, Cold Power; Shirley B. Kalunda, acct super, Ajax products; Jennifer Close, acct exec, Cold Power; Jack Hanzlovic, acct exec, cleanser; Jennifer Kramer, acct exec, cleanser.

William Esty Co., New York—Ultra Brite, Irish Spring, Hair Defense, Dermassage dish liquid, Dermassage moisture bar, Fab, Fab liquid—Andrew Allen, mgmt super; Colleen Gowl, acct super, Ultra Brite, Irish Spring, Hair Defense; Jean Giblin, acct exec, Ultra Brite; Tom Paul, asst acct exec, Ultra Brite, Hair Defense; Donna Klein, asst acct exec, Irish Spring; Joseph Breen, acct super, Dermassage dish liquid and moisture bar; Eric Kerrin, acct exec, Dermassage dish liquid; Peter Britton, acct exec, Dermassage moisture bar; Dennis Jordan, asst acct exec, Dermassage dish liquid; David Ropes, acct super, Fab products; Andrew Mockler, acct exec, Fab; Steven Doyle, asst acct exec, Fab.

Ted Bates & Co., New York—Colgate dental cream, Rapid Shave, Palmolive liquid, Fluorigard—Robert Bruns, exec vp; Joan Rothberg, mgmt rep; Les Richter, creative director, personal care products; Norm Stahl, creative director, household products; Geoff Clarkson, acct director, Colgate Dental Cream; Craig Johnson, acct super, Rapid Shave; Molly Ingram, acct exec, Palmolive liquid; Scott Messinger, acct exec, Palmolive Rapid Shave; Joan Harding, acct exec, Fluorigard.

Kenyon & Eckhardt, New York—Fresh Start, Axion, Curad, Telfa—John Horne, senior vp-mgmt super; Jack Couch, acct super, Fresh Start, Axion; Patricia Stewart, acct super, Curad, Telfa; Peter Hall, senior acct exec, Fresh Start; Jackie Wong, asst acct exec, Fresh Start; Lois Homma, acct exec, Axion; David McConnaughey, acct exec, Curad, Telfa.

SPORTS & RECREATION DIVISION

MARKETING PERSONNEL

J.E. Grimm III, vp-gen mgr
S.A. Haver, creative director, programing & sporting events
S.D. Tannen, director-mktg

RAM GOLF CORP.

MARKETING PERSONNEL

J.C. Shinn, genl mgr
G. Diehl, mktg mgr

BANCROFT SPORTING GOODS

MARKETING PERSONNEL

K.E. Synder, genl mgr
M.J. Tate, mktg mgr, tennis equipment
T.E. Noether, mktg mgr, footwear

SOUTHERN ATHLETIC

MARKETING PERSONNEL

J.M. Axford, president
J. Corbett, mktg mgr
R. Jacobstein, product devel

CHARLES A. EATON CO.

MARKETING PERSONNEL

N.R. Demers, president
J.R. Larsen, vp-mktg

LEACH INDUSTRIES

MARKETING PERSONNEL

C. Drake, president
D. Armstrong, mktg mgr

AJD CAP CORP.

MARKETING PERSONNEL

I. Joel, president

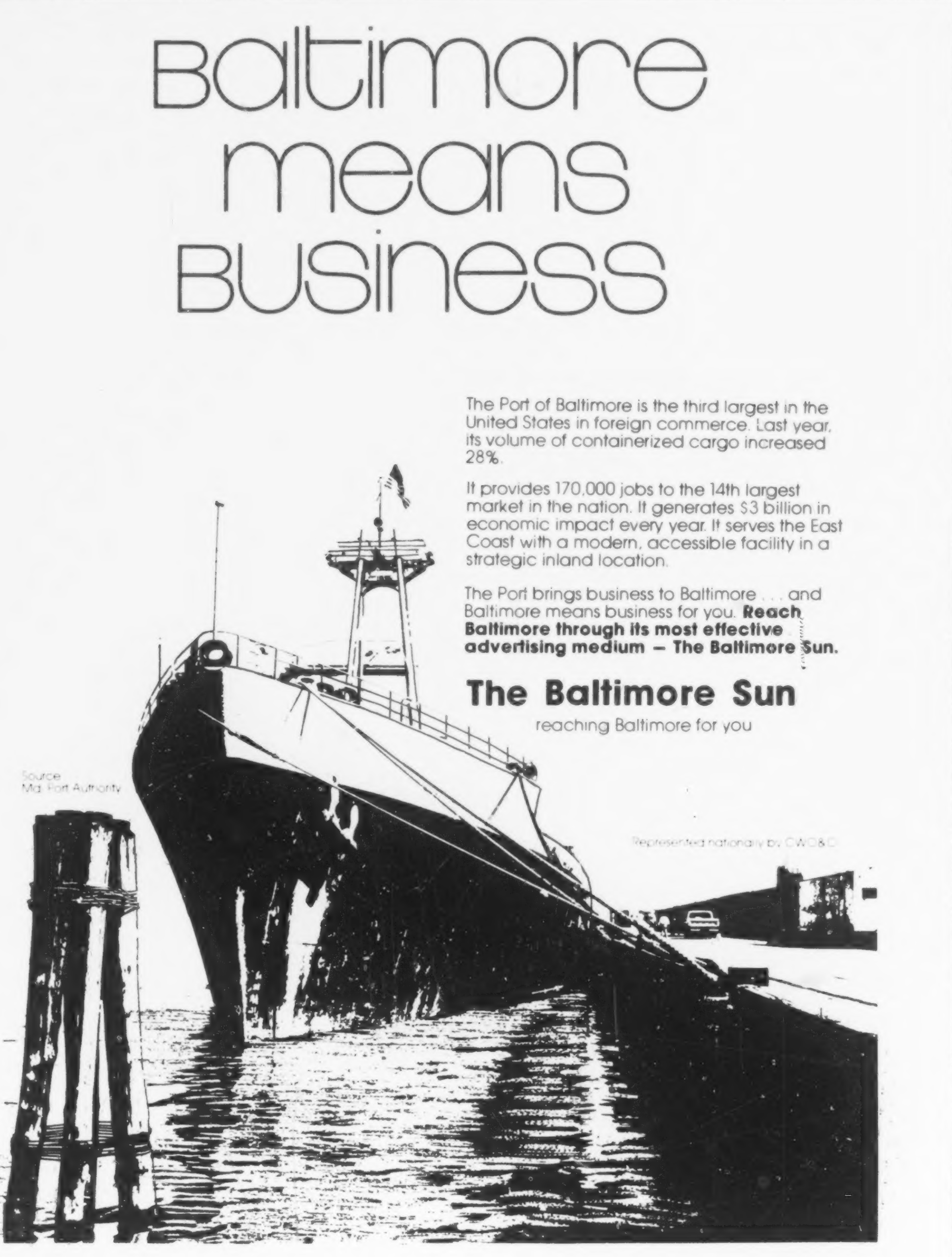
ADVERTISING AGENCY

Norman, Craig & Kummel, New York—Ram, Bancroft—Fred B. Thomson, mgmt rep; Al Evans, senior acct super, Bancroft; Alistair Beathe, acct super, Ram.

KENDALL CO.

MARKETING PERSONNEL

J.D. Sherratt, president/ceo
R.L. Gilson, director-mktg services



Baltimore means Business

The Port of Baltimore is the third largest in the United States in foreign commerce. Last year, its volume of containerized cargo increased 28%.

It provides 170,000 jobs to the 14th largest market in the nation. It generates $3 billion in economic impact every year. It serves the East Coast with a modern, accessible facility in a strategic inland location.

The Port brings business to Baltimore . . . and Baltimore means business for you. **Reach Baltimore through its most effective advertising medium – The Baltimore Sun.**

The Baltimore Sun

reaching Baltimore for you

Source
Md. Port Authority

Represented nationally by CWO&O

KETING PROFILES

ray, adv mgr

Hospital Division

ney, group vp
hes, director-mktg.

ADVERTISING AGENCY

s Associates, Boston (media)—E. cct super.

Consultants, Boston (creative)—G. president.

Fiber Products Division

ys, genl mgr

Industrial Fabrics Division

obsmeyer, director-mktg

Polyken Division

vogel, genl mgr
re, genl mgr-industrial
genl mgr-protective coatings

ADVERTISING AGENCY

die & Chirurg, Boston—nonwovens, health products filters, disposable raphic arts products.

e & Associates, Knoxville, Tenn.— Athletic—Hal Ernst, acct exec.

n, Church & Goff, Providence— John Quinn, vp.

an Associates, Richmond—AJD— eman, president.

ne, Chase, Newport Beach, Cal—Bill

ETICS & BEAUTY ACCESSORIES DIVISION

MARKETING PERSONNEL

Helena Rubinstein

nahan, chief exec officer
ller, vp-mktg

Marisa Christina Inc.

ger, president

ADVERTISING AGENCY

on & Eckhardt, New York— in, Christina—John Horne, senior vp; ndley, acct super; Ron Saunders, associative director; Cary Stiber, acct exec.

ONSUMER DIVISION

oks, vp
ds, director-mktg

ADVERTISING AGENCY

phrey, Browning, MacDougall, Curity diapers, baby clothing—T. son-acct exec.

RIVIANA

MARKETING PERSONNEL

H. Lane, president
Roberts, director-mktg, Romanoff

T. Ryker, vp-mktg, Hebrew National
L. Carte, DVM-vp, veterinary ts mktg
rling, mktg director, animal care ts
ammers, vp-mktg services, Artex products
nes, mktg mgr, Riviana Rice, USA
L. Weinberg, mktg director, Holiday ts
ard Valentine, director-mktg, rn's chocolates

ADVERTISING AGENCIES

loom Agency, Dallas—Ralph Moore, er, Riviana

McCabe, Sloves, New York—Hebrew —Philip Cohen, acct super.

n Smith Advertising, Kansas City— ohn Lee Smith, exec vp.

man Advertising, Greenvale, N.Y.— ff.

TEAR CAREFULLY ALONG PERFORATIONS

nsolidated Foods Corp.

	1978	1977
.....	$4,700,000,000†	$3,535,567,000
s ...	111,000,000†	100,633,300
sing*	91,500,000	86,178,000

es by company for fiscal year ended 1979, and reflecting merger with orp.
imate for combined companies during ndar 1978 and 1977.

Consolidated Foods Corp., Chicago, became the nation's 40th largest national advertiser in 1978, reflecting its merger with Hanes Corp., which actually became effective at the start of 1979.

Combined advertising expenditures for the two companies rose 6% from $86,178,000 in 1977 to an estimated $91,500,000. Even without the merger, however, both companies would have ranked among the 100 top advertisers, Hanes with an estimated $62,000,000 in 1978 and Consolidated with an estimated $29,500,000. Consolidated reported that advertising for fiscal 1979 totaled $100,104,525.

Sales for the two companies rose to an estimated $4.7 billion in fiscal 1978. Consolidated alone had sales of more than $3.5 billion in fiscal 1977, with earnings of $100,633,000.

Sheer Energy All Sheer. Nothing shows but your toes.
ALL SHEER
SHEER ENERGY

Consolidated Foods' Hanes hosiery, which includes L'eggs, was the most heavily advertised line in the company's stable.

For calendar 1977, Hanes recorded sales of $414,158,000 and earnings of $20,820,000.

- Other than the ad boost provided by the merger, Consolidated also reported marked increases in advertising and promotion at existing divisions.

In addition, Consolidated spent approximately $25,000,000 in foreign advertising for its operations in Europe, Canada, and Australia, an increase of approximately 24%.

According to company figures, almost two thirds of the corporation's 1979 fiscal year advertising budget—$61,624,553—was spent in measured media, with the remaining $38,479,978 going into such non-measured media such as coupons, premiums, packaging, point of purchase and the like.

Of the measured media expenditures in the fiscal 1979 budget, Consolidated invested most heavily in network television ($32,710,218), followed by spot tv ($12,036,080), magazines ($7,196,810), newspapers ($6,588,278) and spot radio ($2,037,092). Network radio and outdoor advertising each drew less than $1,000,000.

- According to Leading National Advertisers, during 1978 the most heavily advertised line was the Hanes hosiery products. These included: L'eggs hosiery ($8,414,900), Hanes hosiery for women ($5,004,000), Underalls pantyhose ($2,565,300), Slenderalls pantyhose ($2,038,400) and Hanes pantyhose for women ($1,093,700), with the lion's share of the advertising appearing on network tv.

This strong advertising support helped Hanes and L'eggs brands garner 29% of the hosiery market, up from 26.9% last year and 10% in 1971. Consolidated officials estimate that this is twice the market share of the nearest competitor.

Other Consolidated lines heavily advertised in measured media in 1978 included: Shasta soft drinks and sugar free beverages ($5,008,000), mainly in spot tv; Sara Lee frozen baked goods and Light 'n Luscious cakes ($4,884,900), mainly in network and spot television; Hanes Red label underwear for men and Hanes underwear for men ($2,509,500), mainly on network tv; Tyco train and racing sets ($1,454,500), spot and network tv as well as some magazines; and Aris gloves for women ($1,410,900), mainly network tv.

- Last year marked the conclusion of a major transition period for Consolidated during which the company reorganized itself from a large number of smaller companies in many industries to a select number of larger companies in a few industries. In line with this goal, during 1978 Consolidated negotiated acquisitions of companies totalling annual sales of approximately $1.5 billion.

In addition to the purchase of Hanes for $250,000,000, Consolidated bought a 65% interest in Europe's largest coffee and tea producer, Douwe Egbert, in January, 1978, and, in May, 1978, acquired Chef Pierre, a Michigan-based manufacturer of frozen pies.

- Since 1976, the company has also divested itself of approximately 50 companies totalling annual sales of approximately $600,000,000. These transactions involved operations in 15 different industries—including fashion apparel, furniture, household products and motels— and did not involve any prominent advertisers.

Having succeeded in moving into large companies that manufacture high value-added products with strong brand identification and leading market shares, Consolidated officials indicated that the company's main growth in the near future will come from internal development rather than from further acquisitions. This is expected to include not only new products, but the expansion of regional brands into new territories as well.

The corporation is now organized into three main groups with seven principal core positions. The largest group, with sales of approximately $3.2 billion, is consumer packaged goods, which includes beverages (Douwe Egberts and Shasta), Hanes, specialty meats, frozen foods (including Kitchens of Sara Lee, Booth Fisheries, Chef Pierre, and Popsicle), and other consumer products.

The food services group, with sales of about $900,000,000, includes PYA/Monarch, an institutional food distributor, and Lawson's, the nation's seventh largest convenience store chain.

- The direct selling group, with sales of about $600,000,000 is anchored by Electrolux and Fuller Brush.

Hanes, the largest unit in Consolidated's consumer products group, has continued the advertising and promotional activities connected with its new L'Erin cosmetics line. Seeing the $1.3 billion cosmetic industry as a growing, high-margin portion of the packaged goods industry that could easily be integrated into the L'Eggs distribution system, Hanes began test marketing the cosmetics line in 1977.

The products include eye and face makeup, nail enamel, lipstick, cleansers, and moisturizers. Leading National Advertisers figures showed that the line received almost $1,500,000 in spot tv last year, and the products are currently being marketed in 22% of the nation, with another 10% scheduled to be added in the fall.

Hanes is also looking into the possibility of marketing children's books via its food and drug store distribution network, and expects to begin test marketing the books in late 1979 or early 1980. Just as with the other Hanes products, the company will provide its own racks and displays, and all inventory will be on consignment.

- Several new products were also introduced by the consumer products' frozen food operations. With research indicating that one and two-member households now make up 52% of all households, recently acquired Chef Pierre introduced frozen, individually wrapped pie slices this year, and Kitchens of Sara Lee introduced its new Individual Danish.

The Individual Danish, which has been in national distribution since March, is described by Consolidated officials as the company's "most successful product introduction to date," and the pie slices are currently being tested in six markets.

The frozen foods operation is also attempting to take advantage of the growing U.S. per capita fish consumption with two new Booth Fisheries products—Beer Batter french fried fish and Buttermilk Batter french fried fish. Company officials say that the new products, which were introduced in January, have resulted in sales "well in excess of forecasts."

In the specialty meats portion of the consumer products group, Hillshire Farms has introduced two new products—Smoke Bratwurst and Smoke Italian Sausage. Both products are in introductory stages and the company says that both "have met with wide favor during initial consumer taste-testing."

In Consolidated's beverage group, soft drinks marketer Shasta has suffered from the intensely competitive cola wars since it went national last year. Though Shasta measured media totals jumped to $5,000,000 in 1978 from $2,500,000 the year before and the national push helped swell sales 7.9% to almost $200,000,000, the nation's seventh largest soft drink bottler still faced a decline in earnings last year.

Some observers predict that Shasta will continue to limp along for some time, but Consolidated officials are hoping that last August's shake-up of Shasta management will begin to show some effects and help pull the unit out of its slump.

Shasta's advertising plans for the coming year include emphasis on the line's recent conversion to a fructose sugar base. The ads will stress that fructose sugar is a "good taste, good for you" feature.

In addition, Shasta has obtained U.S. rights to Capri Sun, a popular German soft drink, and has been test marketing the line in Buffalo and Atlanta since May. The natural fruit drink comes in apple, lemonade and orange, and is packaged in foil pouches.

- The retail and food service group's PYA/Monarch, the nation's third largest institutional food service distributor, has been helped by the acquisition of Douwe Egberts and Chicago-based Superior Tea & Coffee Co. and posted sharply higher earnings this year. Not only will these acquisitions broaden PYA's coffee and tea offerings, but the European firm's Moccomat frozen coffee concentrate system is expected to be well-received by U.S. food service operations.

Top 25 outdoor advertisers

Rank	Advertiser	Expenditures 1978	Expenditures 1977
1	R. J. Reynolds Industries	$31,987,500	$33,552,300
2	Philip Morris	24,472,800	22,488,500
3	B.A.T. Industries	21,071,600	13,343,500
4	Loews Corp.	14,321,500	13,452,100
5	American Brands	9,683,800	7,621,300
6	Liggett Group	9,120,900	6,226,700
7	Heublein	6,955,400	6,507,200
8	Seagram Co. Ltd.	5,644,500	8,563,300
9	General Motors Corp.	5,448,100	5,777,200
10	Hiram Walker-Gooderham & Worts Ltd.	4,572,500	4,528,700
11	National Distillers & Chemical Corp.	3,688,200	2,545,500
12	Brown-Forman Distillers Corp.	3,524,600	3,065,500
13	Rapid-American Corp.	3,059,700	3,389,400
14	Coca-Cola Co.	2,578,000	2,030,800
15	Northwest Industries	2,288,300	2,644,300
16	Norton Simon	2,285,000	2,370,800
17	McDonald's Corp.	1,949,100	1,703,600
18	Kraft Inc.	1,813,800	646,200
19	Schering-Plough Corp.	1,683,000	1,625,500
20	Anheuser-Busch	1,666,400	879,100
21	Adolph Coors Co.	1,466,200	728,000
22	Eastern Air Lines	1,386,500	1,201,900
23	Bayer AG	1,311,900	825,100
24	Ford Motor Co.	1,308,100	1,116,100
25	Delta Air Lines	1,276,400	1,190,000

Source: Leading National Advertisers, in cooperation with the Institute of Outdoor Advertisers, Outdoor Advertising Assn. of America.

COMBINED ADVERTISING EXPENDITURES*

	1978	1977
Newspapers	$1,783,700	$3,136,400
Magazines	6,778,100	7,465,900
Spot tv	15,791,900	11,656,600
Network tv	31,665,900	25,236,300
Spot radio	549,400	2,495,600
Network radio	——	569,700
Outdoor	133,200	103,900
Total measured	56,702,200	50,664,400
Unmeasured	34,797,800	35,513,600
Estimated total	91,500,000	86,178,000

*Estimates based on AA's usual sources

COMBINED ADVERTISING EXPENDITURES**

	Fiscal 1979
Newspapers	$ 6,588,278
Magazines	7,196,810
Spot tv	12,036,080
Network tv	32,710,218
Spot radio	2,037,092
Network radio	856,069
Outdoor	200,000
Unmeasured	38,479,978
Total	100,104,525

**Figures supplied by Consolidated for fiscal year ending July 1, 1979.

ADVERTISING EXPENDITURES CONSOLIDATED FOODS CORP. ONLY†

	1978	1977
Newspapers	$1,783,700	$2,085,100
Magazines	2,683,600	1,985,300
Spot tv	12,889,900	9,496,000
Network tv	6,467,800	4,760,100
Spot radio	549,400	1,940,600
Outdoor	133,200	93,700
Total measured	24,507,600	20,360,800
Unmeasured	4,992,400	5,539,200
Estimated total	29,500,000	25,900,000

†Estimated based on AA's usual sources

ADVERTISING EXPENDITURES —HANES CORP. ONLY ††

	1978	1977
Newspapers	$——	$1,051,300
Magazines	4,094,500	5,480,600
Spot tv	2,902,000	2,160,600
Network tv	25,198,100	20,476,200
Spot radio	——	555,000
Network radio	——	569,700
Outdoor	5,000	10,200
Total measured	32,199,600	30,303,600
Unmeasured	29,800,400	29,974,400
Estimated total	62,000,000	60,278,000

††Estimates based on AA's usual sources

MARKETING PERSONNEL

James H. Stokes, vp, sales, Idaho Frozen Foods
M. Simpson, director, retail mktg, Chef Pierre
Richard E. Benner, exec vp, Fuller Brush Co.
Robert A. McGurkin, director, mktg, Fuller Brush Co.
Jeff Ruoff, vp, mktg, Lawson's
James Schloss, vp, mktg, Kahn's
Bruce Gescheider, director, mktg, Kahn's
James N. Groebe, exec vp, mktg & sales, Shasta
Thomas R. Leidy, vp, mktg, Hanes Knitwear
J. M. Calkins, director, mktg, Hanes Knitwear
Steve Marcus, vp, Bali Co.
Terry Walts, L'eggs Products
Don Folger, L'eggs Products
Walter H. Pilcher, vp, mktg, L'Erin cosmetics
W. F. Karnbach, vp, mktg, Hanes hosiery

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HEUBLEIN
HUNT-WESSON
INT'L. PLAYTEX
JOHNSON & JOHNSON
LEVER BROTHERS
LIFE SAVERS
PEPSI-COLA
PFIZER
PILLSBURY
PROCTER & GAMBLE
STANDARD BRANDS
WARNER-LAMBERT

We work for all of these companies.

Our job, as management consultants, is to find qualified marketing directors, product managers, market research and sales promotion people for the blue-chip companies listed above. If your strength is in consumer packaged goods marketing, you should know our president: Gene Judd. Contact him at

Judd-Falk
124 East 37th Street
New York, N.Y. 10016
Telephone: (212) 686-1500

333 N. Michigan Ave.
Chicago, Ill. 60601
Telephone: (312) 236-7300

MARKETING PROFILES

John D. Hunter, group product director, Hanes hosiery
David L. Bryant, group product director, Hanes hosiery
Robert A. Fraser, Lyon's
Donald E. Brunson, vp, mktg, Bryan Foods
Robert J. Ferara, vp, mktg, Tyco Industries
Robert R. Sachs, vp, mktg, Electrolux
L. M. Beggs, exec vp, Kitchens of Sara Lee
Andrew H. Rutledge, vp, genl mgr, food service, Xitchens of Sara Lee
J. Richard Dirks, senior vp, mktg & sales, Booth Fisheries
Hans Fischer, exec vp, Aris

ADVERTISING AGENCIES

Grey-North Advertising, Chicago—Idaho Frozen Foods, Booth Fisheries

Creamer Inc., Pittsburgh—Chef Pierre

Stieffel-Raymond, New York—Popsicle Industries

Murray & Chaney, Hudson, O.—Lawson's

BJ&L Advertising, Cuyahoga Falls, O.—Lawson's

Sive & Associates, Cincinnati—Kahn's

Venet Advertising, New York—Kahn's

Godding Advertising, Kenmore, N.Y.—Kahn's

Tracy-Locke, Dallas—Shasta (new products)

Botsford-Ketchum, San Francisco, Shasta

Leber-Katz Partners, New York—Hanes knitwear

Long-Haymes & Carr, Winston-Salem, N.C.—Hanes knitwear, Hanes hosiery

Isidore, Lefkowitz, Elgort, New York—Ban Co.

Dancer Fitzgerald Sample, New York—L'eggs, Hanes hosiery

Burrell Advertising, Chicago—L'eggs

Compton, New York—L'eggs

Benton & Bowles, New York—L'Erin, Kitchens of Sara Lee

Case & McGrath, New York—Hanes hosiery

Bozell & Jacobs-Pacific, Palo Alto, Cal.—Lyon's

Maris, West & Baker, Jackson, Miss.—Bryan Foods

Cargill, Wilson & Acree, Atlanta—Bryan Foods

Kurtz & Tarlow, New York—Tyco Industries

Ted Bates & Co., New York—Electrolux

Mandabach & Simms, Chicago—Kitchens of Sara Lee

Premier Maldonado, San Juan—Kitchens of Sara Lee

Total Marketing, New York—Aris

Delta Air Lines

	1978	1977
Sales*	$2,225,447,000	$1,870,347,000
Earnings*	135,375,000	16,654,000
Advertising	28,900,000	25,700,000

*Fiscal year, ending June 30, 1978, and 1977

Delta Air Lines, Atlanta, the 98th largest national advertiser, increased its advertising 12% to $28,900,000 in 1978.

Delta boarded 36,300,000 passengers, a record for the carrier, as operating revenues increased 19% to $2.23 billion and earnings increased 18% to $137,375,000, also a record for the airline. It was the 31st consecutive profitable year for Delta. For the first quarter of the current year, earnings were $26,197,000.

Although one of the most profitable U.S. airlines, Delta is only the fifth largest domestic trunk airline in terms of revenue-passenger miles. In revenue-passenger miles (the total number of passengers multiplied by total number of miles they have flown), Delta hit 23.332 billion in 1978, up from 19.119 billion in 1977.

The only other U.S. airlines with higher revenue-passenger miles in 1978 were United with 39.399 billion; American, 28.987 billion; TWA, 26.967 billion, and Eastern 25.183 billion.

- In terms of passengers carried, Delta with more than 36,000,000 ranked third, behind United with over 40,000,000 and Eastern with more than 37,000,000. Delta's passenger ticket revenues were $1.86 billion.

Delta's marketing and advertising program is shaped largely by its route structure, which serves more than 90 cities. The company has developed a system of short-haul routes feeding into its system of lucrative, long-haul routes to permit the carrying of passengers all the way to their destination.

A major portion of total Delta business comes from small and medium-size cities east of the Mississippi and the airline has the shortest average flight in miles of any major U.S. carrier.

Decisions in Delta's favor by the Civil Aeronautics Board permitted the airline to start Atlanta to London service in April, 1978, the airline's first transatlantic route. This operation was profitable almost from the start, with a 67% load factor for the year. By the end of 1978, 78,513 passengers had used the new nonstop flights.

In 1978, Delta received authority to serve a number of other new cities and routes, including the following: Atlanta-Cleveland, Atlanta-Nashville, Las Vegas-Reno, Miami-San Juan, New Orleans-Tampa, Atlanta-Raleigh/-Durham, Cleveland-Ft. Lauderdale and Boston-West Palm Beach.

During the year, the airline applied for Atlanta-Frankfurt authority. The route was granted early this year and service was inaugurated to Germany on June 17. Delta is also seeking new international routes between both Miami and Atlanta and points in the Bahamas.

The airline celebrated its 50th anniversary of passenger service this year on June 17, and marked the event with a promotional run by the Delta Dusters, an employe running club, from Dallas to Jackson, Miss., the route of its first flight.

Partly because of its route structure, Delta tends to avoid elaborate and expensive image advertising in favor of no-nonsense ads full of facts and figures. It continues to use its major theme, "Delta is ready when you are," created several years ago.

The airline summed up its position in a direct mail piece sent to businesses during its anniversary month: "Over the past 50 years, you've learned to expect great service from Delta Air Lines. What more could you ask? More of the same."

- During 1978 and continuing into 1979, the airline industry went heavily into discount fares and special low inaugural fares for new routes, encouraged by the CAB's interest in "deregulation" of the industry. Delta went along reluctantly, declaring in its advertising that "Delta will not be undersold."

To its regular existing Night Coach and Excursion fares were added "Super Saver" (discounts up to 50% under certain conditions), "Simple Saver" (liberal discounts on certain specified flights), "Senior Citizen" (for passengers 65 and older) and "Systems Excursion" (allowing passengers to visit several Delta cities on one trip at one fare).

The airline has announced yet another fare, the "Supreme Super Savers," to start Sept. 8. Delta promises the latest discount fare will replace 47 old ones and will be simple.

DELTA ANNOUNCES SUPREME SUPER SAVERS
Delta is ready when you are

Delta Air Lines' "Supreme Super Savers" is the latest of the company's discount fares to enter the market.

In newspaper ads, the airline notes, "Until now, discount fares have been something of a mixed blessing. Nice savings, but you had to be a Philadelphia lawyer to understand all the restrictions."

- While meeting the competition with special discount fares where it feels it must, Delta has gone on record warning that without a continuation of a high level of traffic growth, the industry cannot maintain the low discount fares in the face of escalating costs without seriously eroding profits.

While discounting of fares continues, one major cost problem has been escalating fuel prices. By the end of 1978, the average price per gallon was 38.24 cents, up from a 1973 average of 12.03 cents. The price would seem low to a motorist, but every 1¢-per-gallon increase adds approximately $11,000,000 to Delta's annual fuel bill.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$16,156,100	$14,900,600
Magazines	1,470,800	1,198,900
Spot tv	1,996,000	1,645,300
Network tv	36,000	97,800
Spot radio	5,614,000	4,521,000
Outdoor	1,276,400	1,190,000
Total measured	26,549,300	23,553,600
Unmeasured	2,350,700	2,146,400
Estimated	28,900,000	25,700,000

MARKETING PERSONNEL

J.A. Cooper, senior vp-mktg
C.P. Knecht, vp-mktg
Anthony McKinnon, asst vp-mktg admin
W.W. Hawkins, director-sales
J.T. Maples, asst vp-mktg planning
H. Ross, asst vp-mktg services
R.L. [illegible], vp-traffic
L.F. Sport, system mgr, adv
J. Pogue, genl mgr, cargo sales

ADVERTISING AGENCY

Burke Dowling Adams, division of Batten, Barton, Durstine & Osborn, Atlanta; Glenn Verrill, president; Jack Walz, vp, acct super.

DuPont

	1978	1977
Sales	$10,584,000,000	$9,435,000,000
Earnings	787,000,000	545,000,000
Advertising*	70,000,000	59,000,000

*U.S. only, estimated by AA

E. I. DuPont de Nemours & Co., Wilmington, Del., the 56th leading national advertiser in 1978, boosted its advertising budget 18.6% to an estimated $70,000,000 last year as its net income rose 44% over 1977's $545,000,000 to $787,000,000.

The company reported worldwide advertising expenditures of $93,000,000 in '78. In 1974, the last time DuPont was in the 100 leading National Advertisers' list, its worldwide ad total was $72,900,000 and its U.S. total came to $54,176,000.

DuPont's chemicals, plastics and specialty products (CPS), showed a 6% gain in volume last year, with total sales of $7.14 billion, 13% higher than in '77. CPS sales last year accounted for 67% of corporate sales.

- DuPont reported that its specialty lines—agrichemicals, electronic products, explosives, finishes, and medical and printing products—continued their "excellent growth" and registered an earnings gain of 38%. Sales of chemicals improved "modestly," but earnings were down, reflecting worldwide overcapacity in commodity chemicals.

Fibers showed the greatest improvement last year, recovering from a low base. But DuPont found that capacity is still excessive worldwide. Fibers sales were $3.4 billion, 11% ahead of '77, and accounted for 33% of sales last year. The company has strength in carpet and industrial fibers and so feels its return on investment will improve from 4% in '78.

Sales abroad were about $3 billion, 19% ahead of '77, continuing a pace that finds international sales growing faster than domestic sales.

DuPont consolidated four industrial departments and realigned their product lines in 1978. Two new departments resulted, following a pattern set by earlier realignments of this sort.

The company's plastics, fibers, elastomers and finishes go into a vast array of commercial and consumer products. Some of its better-known trademarks are Stren monofilament fishing line, Dacron polyester, Kevlar aramid fiber, Lycra spandex fiber, Orlon fibers and Teflon fluoropolymers.

In 1978, DuPont spent $3,577,500 in measured media, for its Teflon coating according to Leading National Advertisers, with $3,100,000 going for magazine ads and the rest in spot tv.

Market acceptance of DuPont's most durable Teflon coating, "Silverstone," is reported by the company to be excellent. Advertising expenditures were spread among magazines ($649,000) and network tv ($1,878,800). Corian, DuPont's resistant counter tops, reported strong sales to hotel and motel markets.

Another of DuPont Co.'s major earners, its apparel market, was responsible for more than half of 1978's worldwide corporate fiber sales of $3.4 billion.

- With the recession of '74-'75, use of polyester in knits started to decline, leading to a collapse of the 1976 price structure. To stop the decline and stimulate growth DuPont began developing new Dacron yarns, including Serell, an air-jet textured filament yarn.

These yarns, made into a wide range of new fabrics, departed from the "shiny" look of the early doubleknits and provided "natural" aesthetics and functionality.

After four years of lying low, DuPont got back into the advertising game with a promotion for Stren.

DuPont began the Stren campaign last April in more than 50 consumer magazines and in 30-second tv spots. The message, "Tough new Stren, twice as tough as the next best fishing line," was by N W Ayer ABH.

The Stren ads were followed last July by a promotion for Dacron. The ad program was prompted by DuPont's effort to halt the decline of polyester filament sales by working to develop new Dacron yarns.

In the campaign by BBDO, New York, using tv spots produced and directed by Richard Avedon, the products became known as "Today's Dacron" and were featured in 30-second commercials and in print ads. DuPont spent an estimated $2,124,500 on Dacron advertising last year.

Still at work creating new textiles and fibers, DuPont plans to penetrate the denim market with a

1978 AD $ SUMMARY

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LNA

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new kind of Dacron staple. The material, when blended with cotton and woven into a denim, is said to fade and soften like cotton jeans.

Also under development is a blend of Dacron and Orlon fibers to be introduced later this year as Binell. This new fabric has a soft, cottony touch. In addition, because of the Orlon content, the material transports moisture to the fabric surface, making it ideal for underwear and active sportswear.

A new family of Orlon fibers is being created for the sweater and craft yarn market. Withdrawn from the market for acetate yarns was Nandel, a DuPont yarn that had not been selling well.

In February, 1979, DuPont budgeted more than $5,000,000 for a corporate ad campaign. Print ads and tv commercials explain the role and importance of chemicals in everyday life. The slogan, for the spots, which aired during specials on ABC, CBS and NBC, was "You and DuPont. There's a lot of good chemistry between us." BBDO is the agency.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$413,300	$1,646,500
Magazines	13,401,400	10,042,900
Farm publications	1,723,800	——
Spot radio	2,404,300	1,369,200
Network tv	4,861,500	2,914,500
Spot radio	178,900	——
Network radio	——	150,400
Outdoor	300	60,600
Total measured	22,983,500	16,184,100
Unmeasured	47,016,500	42,815,900
Estimated total	70,000,000	59,000,000

MARKETING PERSONNEL

H. Lloyd Taylor, director, adv
A.W. Ballentine, div mgr
R.E. Hutter, chemical, dyes & pigments dept
J.C. Maneval, petrochemicals dept
S.P. Hush, div mgr
J.P. Swan, biochemicals dept-agrichemicals
M. Collette, biochemicals dept-pharmaceuticals
R.T. Eldridge, photo products dept-x-ray, printing, industrial & electronics products
C.W. Hoeffman, photo products dept-instrument products
W.B. Stephenson, III, photo products dept-Berg electronics products
T.E. Minnich, textile fibers dept-carpet fibers
J.H. McDivit, textile fibers dept-industrial film and spunbonded products
C.E. Crowley, div mgr
J.S. Swajeski, fabrics & finishes dept-home & automotive products
H.B. Horning, fabrics & finishes dept-consumer paint & refinish
J.E. Sly, fabrics & finishes dept-maintenance & packaging finishes, industrial specialties & applied technology
R.J. Alfano, corporate adv
N.A. Bryant, automotive communications
E.J. Garrity, Remington Arms Co.
H.E. Davis, div mgr
J.K. Goundie, elastomer chemicals dept
W.C. Halley, plastic products & resins dept-commercial resins & fluorocarbons
E.J. O'Brien, plastic products & resins dept-ethylene polymers
R.A. Hotchkiss, plastic products & resins dept-industrial & packaging films
J.B. Boyer, plastic products & resins dept-plastic products
J.O. Corner, mktg rsch
J.R.M. Murphy, publications section
A.B. Baker, control section
T.J. Niemkiewicz, production/graphic section
P.J. Trainor, procurement/exhibit section
W.D. Davis, audio-visual section
J.S.H. Cruice, textile fibers dept-mgr adv
E.R. Albright, textile fibers dept-men's wear
H.A. Carnevale, textile fibers dept-sweaters
F.W. Ockenfels, textile fibers dept-women's wear
J.B. Gillie, textile fibers dept-general & Qiana
J.F. Booker, textile fibers dept-fiberfill
F.G. Oswald, textile fibers dept-hosiery
E.K. Bispham, III, textile fibers dept-home & automotive fabrics
I.J. Kappes, textile fibers dept-intimate apparel & swimwear

Advertising Agencies

N.W. Ayer ABH Intl, New York—fabrics and finishes, plastic products & resins, elastomer chemicals, photo products, chemicals, dyes & pigments, petrochemicals, industrial and spunbonded products. D.H. Means, mgmt super.

BBDO, New York—automotive products, carpet protector, apparel, carpets, home furnishings & fiberfill products, corporate adv. J.F. Crowley, mgmt coordinator.

Rumrill-Hoyt, Rochester, N.Y.—agricultural chemicals, Remington Arms Co. J.M. Valerio, mgmt coordinator.

Kelly Advertising, Lancaster, Pa.—Berg electronics products. R.L. Kelly, mgmt coordinator.

Wesson & Warhaftig, New York—pharmaceutical products. Marvin Amster, mgmt coordinator.

Sudler & Hennessey, New York—pharmaceutical products. Leon Gamza, mgmt coordinator.

Antron III was just one of the fibers advertised by DuPont last year. Fibers accounted for about one-third of DuPont's 1978 sales.

Eastern Air Lines

	1978	1977
Sales	$2,379,564,000	$2,035,893,000
Earnings	67,257,000	27,877,000
Advertising	34,800,000	32,500,000

Eastern Air Lines, Miami, the 91st largest national advertiser, increased its advertising 7%, to $34,800,000 in 1978.

The airline reported the highest earnings in its history during 1978, reaching $67,257,000, more than double its restated earnings of $27,877,000 for the previous year. Revenues increased 16.9% to $2.38 billion.

Operating expenses increased 15.4% to $2.28 billion, and fuel costs increased by 12.9%, to $428,200,000. The airline's load factor (percentage of available seats occupied) rose from 56.2% to 64.5%, the second highest load factor among U.S. trunk carrier.

The available seat miles rose 6.3% to 39.1 billion. In terms of revenue-passenger miles (the total number of passengers multiplied by total number of miles they have flown), Eastern was fourth largest in 1978, with 25.2 billion.

- In number of passengers carried in 1978, Eastern's total of 37,448,000 was second only to United. The increase of approximately 6,100,000 passengers, or 19.6% over 1977, was the largest single-year rise in the airline's history.

Seldom in its history has Eastern started so much new service as it initiated in 1978, taking over several previously dormant routes under provisions of the Deregulation Act of 1978 and expanding service from the airline's Atlanta and Miami hubs.

New routes included Miami-San Francisco, Atlanta-San Francisco, Miami-Tampa-Mexico City, Miami-Haiti, New York-Cozumel/Merida/Cancun on Mexico's Yucatan Peninsula via New Orleans; New York-Fort Myers, St. Louis-Salt Lake City, Austin-Houston, Atlanta-Charleston and Atlanta-Savannah among others.

Service expansion has continued in 1979. Newest routes, started May 1, include Atlanta-Austin, Miami-Guatemala and Atlanta-Seattle.

- Eastern's advertising normally covers three areas—business travel, vacation packages and its corporate effort featuring former astronaut Frank Borman, the airline's president and chief executive officer, as spokesman. In the industry's current high discount environment, however, Eastern has shifted much of its ad empnasis to promotional, discount fare advertising.

Effective through Dec. 15, Eastern is offering a $49 round-trip fare to Florida for young people age 2 through 17 (one per adult) in conjunction with new Super Saver discounts that can save adults 30% to 50% off regular coach fares.

Eastern is also offering its California Fare Deal—a tour basing fare, good from 23 southern and southeastern cities to Los Angeles and San Francisco. The round-trip price is $199-$249 depending on origination. Children under 17 (one per adult) fly for only $49 round-trip. This air fare is available with purchase of a minimum ground package of $100 per adult.

The airline continues to offer its innovative Unlimited Mileage fare, initiated in 1977. Under the fare plan, for $372 to $397 each, two adults traveling together can take an almost unlimited 21-day tour of the carrier's North American network. Effective June 12, a special Unlimited Mileage fare for one person was introduced at a slightly higher charge.

Faced with a shift of business travelers from first class to coach, Eastern and several other airlines, narrowed the price gap between first class and coach in May, 1978. "Eastern cuts the premium you pay for first class. Up to half," ads declared in business publications.

A major sales promotion/public relations activity of Eastern continues this year in its role as "official airline" of Walt Disney World in Orlando. The airline operates a major exhibit pavilion at the theme park.

ADVERTISING EXPENDITURES*

	1978	1977
Newspapers	$10,976,000	$10,010,000
Magazines	3,530,000	3,652,000
Radio	3,640,000	3,611,000
Television	7,644,000	6,910,000
Outdoor	2,210,000	1,967,000
Total measured	28,000,000	26,150,000
Unmeasured and international	6,800,000	6,350,000
Total	34,800,000	32,500,000

*As reported by Eastern Air Lines.

ADVERTISING EXPENDITURES**

	1978	1977
Newspapers	$11,277,400	$11,796,300
Magazines	3,721,500	3,159,300
Spot tv	5,147,500	6,273,800
Network tv	919,100	678,500
Spot radio	2,991,000	2,613,600
Outdoor	1,386,500	1,201,900
Total measured	25,353,000	25,722,800
Unmeasured	9,447,000	6,777,200
Estimated	34,800,000	32,500,000

**From AA's usual sources.

MARKETING PERSONNEL

R.L. Ray Jr., senior vp-mktg
D.B. Kunstler, vp-sales & adv
W.H. Dowse, vp-adv
A.K. Istel, mgr-vacation adv
T. Ripps, mgr-consumer & adv rsch
B.F. Walsh, mgr-business adv
R.A. Wolf, mgr-adv services

ADVERTISING AGENCY

Young & Rubicam, New York. F. O'Sullivan, vp-mgmt super; W. Flynn, acct super; M. Linder, T. Pranses, M. Cooper, acct execs.

Eastman Kodak Co.

	1978	1977
Sales*	$7,012,923,000	$5,966,986,000
Earnings*	902,284,000	643,448,000
Advertising**	86,071,700	85,471,800

*Worldwide **U.S., AA estimate

Eastman Kodak Co., Rochester, N.Y., the 44th largest national advertiser, is estimated to have increased its U.S. advertising slightly—1%—to $86,071,700 in 1978 to support its Ektra and Colorburst camera lines as well as traditional still cameras and film. Total measured media spending did not change substantially, though some funds shifted from print to increased broadcast advertising.

Kodak's worldwide sales of $7,012,923,000, up from $5,966,986,000 in 1977, included a record high $5,674,400,000 for the photographic division, up from $4,754,500,000 in 1977; and $1,531,900,000 for the Eastman chemicals division, up 11% from $1,374,300,000. (The 1978 sales of these divisions should be reduced by $928,100,000, the amount that figured in inter-divisional sales.)

For the first quarter of 1979, worldwide sales rose 19% to $1.64 billion up from $1.38 billion in the same period in 1977, while worldwide net earnings increased 40% to $197,500,000 from $141,000,000.

The U.S. and Canadian photographic division was combined with the international photographic division to form a new photographic division under the direction of President Colby Chandler on Jan. 1, 1979.

The company said the introduction of attractive new products for both traditional and instant photography, the excellent reception accorded Kodak Ektaprint copiers, brisk demand for color films and papers and expansion of the micrographic product line were major factors in the 1978 sales performance. It added that for the first time in Kodak history, research spending exceeded $1,000,000 a day as new and improved products continue to gain consumer acceptance.

Kodak is estimated to have a 35% to 40% share of the instant camera market which had an estimated 8,000,000 camera sales in 1978. Measured media spending was $12,548,800 for instant cameras with $612,000 for instant film and an additional $3,574,500 for Colorburst instant cameras and film—all in magazines.

The Ektaprint copier-duplicator, which rolled out in 1977, was supported with an estimated $1,000,000 ad budget, including a print campaign featuring work of New Yorker cartoonist Charles Saxon. Ektaprint got $1,451,400 in measured media in 1978.

The company reported that a more experienced sales organization, improved product reliability and an effective service organization led to increased installations of Ektaprint copiers. Kodak is believed to have less than 10% of the copier-duplicator market.

- New products for 1978 included instant and traditional cameras: Colorburst motorized instant cameras and new Ektra pocket models using conventional film, all with built-in electronic flashes. Colorburst 300, Kodak's highest priced instant camera to date retailing for about $74.95, has been advertised via b&w newspaper ads in 131 markets as well as color pages in magazines. Comedian Dick Van Dyke is ad spokesman for the camera.

Ektachrome 400 film also bowed as a high speed film allowing the shooting of color slides without flash or in very low light. It and other Kodak film received $6,254,200 in measured media. Ektra cameras got the biggest share of the corporate $51,913,100 in measured media with $13,210,600, mostly in network tv and magazines.

Founded by George Eastman, Kodak began diversifying in the 1920s. Although today it produces fibers, chemicals and plastics, photographic products still account for more than three-fourths of Kodak's annual sales. Kodak's share of the estimated $10,672,000,000 U.S. photographic market has been put at well over one-third.

- Last year, out of $31,211,200 spent in network tv, Kodak allocated $11,868,800, for instant cameras; $9,345,600 for Ektra cameras, and $4,124,700 for film. A $15,168,200 investment in magazines included $3,574,500 for Colorburst cameras and film; $3,511,800 for Ektra cameras and $1,569,300 for film.

Kodak also spent $370,200 to promote Kodel, Verel and Kodofill fibers with $138,500 for Kodel fibers in women's apparel.

In 1979, Kodak continued using Michael Landon as its major spokesperson for traditional commercials and print ads with his family. Products promoted were Kodak Ektra 1/Tele-Ektra 1, Ektralite 10 and the Ektramax cameras.

The Kodak film campaign continued with picture-taking vignettes and lively music to suggest to viewers that with Kodak film, "You've got what it takes."

In addition, Kodak launched a new campaign for instant products. The theme of the commercials was that Kodak instant cameras bring people closer together and with Kodak instant cameras and film, "The more you take, the more you give."

- In 1978, Kodak moved its $15,000,000 instant photo products account from J. Walter Thompson

Responsive research that gets to the point.

Study the Burgoyne logo above. It symbolizes the multi-service capability that enables us to reach out in whatever direction it takes to zero in on the pointed answers you need.

CONSUMER RESEARCH
- WATS center for nationwide telephone interviewing
- Personal intercept interviewing
- Focus group studies

SALES RESEARCH
- Control store tests
- Distribution checks/systems
- Store audits

And we offer a super-responsive product pickup service.

Ask us some pointed questions. We'll respond with answers in kind.

Burgoyne

570 Central Trust Building CINCINNATI 45202 (513) 621-8940
342 Madison Avenue NEW YORK 10017 (212) 490-2650

Co. to Young & Rubicam. JWT, its principal agency, continued to purchase tv time not only for traditional photo products but instant cameras as well.

A 1978 verdict found Kodak guilty of monopolizing certain segments of the photographic business. In June, 1978, the court granted, in part, Kodak's motion for judgment notwithstanding the verdict, reducing the award to Berkey Photo, before trebling, by $10,465,330. In July, 1978, the court entered judgment against Kodak in the amount of $87,091,309, consisting of trebled damages of $81,464,100 and attorney's fees and expenses of $5,627,209.

Kodak was ordered to sell to any customer requesting it Kodak color print paper without a backprint referring to the Kodak name and to disclose simultaneously to independent photofinishers certain information provided to Kodak's color print and processing organization.

On June 25, 1979, the Second U.S. Circuit Court of Appeals reduced the award of damages to $990,000, stating that antitrust laws were not designed as shelter against competition.

- Other antitrust actions brought against the company in 1973 by Berkey, by GAF Corp., which subsequently dissolved its consumer photography business, and by Pavelle Corp. are still pending.

Also pending is a 1976 suit in which Polaroid charged Kodak with infringing its patents for instant cameras and film.

Anthony Frothingham moved from general manager of domestic marketing division, U.S. and Canadian photographic division, to staff vp, International photographic division. He was succeeded by J. Phillip Sampler, formerly assistant to the general manager.

In July, 1979, Kodak named nine execs to new posts as marketing directors responsible for major planning areas under the U.S. and Canadian photographic division, which accounts for 80% of Kodak sales.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,751,300	$3,833,900
Magazines	15,168,200	17,562,200
Spot tv	4,237,300	2,633,200
Network tv	31,211,200	30,444,500
Spot radio	1,317,300	280,000
Network radio	688,800	389,100
Outdoor	497,600	328,900
Total measured	55,871,700	55,471,800
Unmeasured	30,200,000	30,000,000
Estimated Total	86,071,700	85,471,800

EASTMAN KODAK CO.

Rochester, N.Y.

MARKETING PERSONNEL

J.P. Sampler, vp-genl mgr, mktg
J.H. Barnes, vp-genl mgr, customer equipment services div
J.C. Fink, vp-genl mr, health sciences market div
K.M. Mason, vp-genl mgr, motion picture and audiovisual div
J.R. Robertson, vp-genl mgr, consumer markets div
W.A. Sawyer Jr., vp-genl mgr, professional and finishing markets div
W.E. Sherman, vp-genl mgr, graphics markets div
J.R. Sutcliffe, vp-genl mgr, business systems markets div
W.K. Pedersen, asst vp-director, adv and promo
J.W. Welch, director, support services mktg
C.B. Bartels, mgr. adv planning/promo, intl photo div
R. McCoy, mgr. adv/customer services, consumer markets div
H.R. Smith, mgr. adv, promo and publications, motion picture and audiovisual markets div
J.T. Nixon, mgr. adv/customer services, radiography markets div
A.C. Peed Jr., mgr. adv., promo and publications, professional and finishing markets div
J.A. Keegan, mgr. adv, business systems markets div
G.O. Brown, mgr. adv., promo and publications, graphics markets div
D.P. Biehn, mktg director, professional & finishing products
C.H. Gaffin, mktg director, graphics mkts div
L. Lee Horschman, mktg director, micrographics/information technology products
R.B. Parsons, mktg director, clinical/chemicals products
D.N. Rohrback, mktg director, copy products
S.S. Stepnes, mktg director, consumer products—traditional
T.E. McGrath, mktg director, consumer products—instant
K.R. Tackett, mktg director, diagnostic imaging products
J.R. Zeman, mktg director, motion picture & audiovisual products
D.J. Metz, director, corp communications
R.D. Allen, director, shareowner relations, corp communications
H.J. Kaska, mgr. public information, corp communications

ADVERTISING AGENCIES

Rumrill-Hoyt, Rochester—genl picture-taking, print trade, audio-visual, some business, scientific and industrial—Joseph M. Valerio, mgmt super; David Fisher, group mgr.

Young & Rubicam, New York—instant photo products—Roby Harrington, group director; Thomas Spangenberg, mgmt super.

J. Walter Thompson Co., New York—traditional photo products, some business, industrial and technical—W.C. Thompson Jr., group account director; Henry Rissmeyer, Granger Tripp, mgmt supers.

Baker Lovick Ltd., Toronto—M. Lamon, D. Macleod, vps-acct execs.

Top 25 farm paper advertisers

Rank	Advertiser	Expenditures 1978	Expenditures 1977
1	Elanco Products Co.	$4,531,853	$4,106,094
2	Deere & Co.	3,738,479	3,242,493
3	American Cyanamid Co.	3,736,245	4,407,831
4	International Harvester Co.	3,176,457	1,944,775
5	Shell Chemical Co.	2,646,178	2,224,578
6	Ciba-Geigy Corp.	2,585,599	2,337,009
7	Monsanto Agricultural Products	2,444,898	2,573,523
8	FMC Corp. Agricultural Chemicals Division	2,104,150	2,035,517
9	Stauffer Chemical Co.	2,068,929	1,684,784
10	Ford Motor Co.	1,971,700	1,871,467
11	New Holland-Sperry Rand Corp.	1,887,294	2,094,826
12	Mobil	1,810,984	1,175,955
13	E.I. DuPont	1,723,750	1,443,891
14	Union Carbide Corp.	1,706,042	1,773,322
15	Mobay Chemical Corp. Agricultural Chemical Division	1,607,085	1,251,983
16	Upjohn	1,585,392	1,362,157
17	Northrup King & Co.	1,454,315	1,225,624
18	DeKalb Agresearch	1,271,266	1,194,538
19	Pfizer Inc.	1,247,196	1,245,772
20	Chevrolet	1,242,241	1,406,416
21	Dow Chemical Co.	1,223,319	1,319,088
22	Pioneer Seed division	1,120,846	910,549
23	Allis Chalmers	1,086,598	1,167,266
24	Butler	969,088	760,874
25	J.I. Case	931,087	1,037,733

Source: Agricultural Marketing Information Service (Agricom).

EASTMAN CHEMICAL PRODUCTS INC.

Kingsport, Tenn.

MARKETING PERSONNEL

D.B. Campbell Jr., president
P.J. Burns, senior vp
B.F. Roberts, vp, chairman, genl mgmt staff and advertising
R.H. Cannon Jr., vp, chemicals div and genl mgmt staff
A.H. Griffin, vp, fibers div
W.P. Bussart, vp, plastics and plastics products division and genl mgmt staff
G.O. Trabue Jr., vp, filter products and international div
R.C. Forrester, vp, technical service and development div
R.E. Hudson, mktg director, textile fibers div
J.T. Moore, mktg director, plastics div
R.C. Dubberly, mktg director, industrial chemicals div
N.M. Atkins, mktg director, coatings chemicals div
L.H. Farmen, mktg director, H & N div
G.W. Snyder, mktg director, filter products div
J.C. Gilmer, mktg director, new products div
W.L. Terrill, mktg director, intl div
J.F. Horne, mgr. promo
H.E. Reebel, mgr. adv services
J.T. Wallin, mgr. editorial services

ADVERTISING (all in New York)

M.J. Methetal, director, adv
A. LaManna, asst director, adv
K. Palmer, mgr. fibers adv
J.J. Murphy, mgr. chemicals adv
T.W. Lyons, mgr. plastics adv
V. Reisig, mgr. intl adv

ADVERTISING AGENCIES

Martin Landey, Arlow Advertising, New York—all products worldwide.

J. Walter Thompson Co., New York—U.S. chemicals, plastics publicity and all international product publicity.

The Rowland Co., New York—U.S. fibers publicity.

Esmark

	1978	1977
Sales	$5,863,962,000	$5,424,078,000
Earnings	80,100,000	74,744,000
Advertising	141,431,000	108,353,000*

*Revised figure
†Fiscal year ending October, 1978.

Esmark Inc., Chicago, the 20th largest advertiser, increased its advertising spending by an estimated 31% to $141,431,000 in 1978. Company sales rose 8% to $5.8 billion for the fiscal year ending in October, 1978, and earnings were up 7% to $80,100,000.

Swift & Co., the company that was the foundation of Esmark when it became a holding company in 1973, enjoyed improved sales and earnings over 1977. Sales rose from $3.76 billion to just over $4 billion and earnings leaped from $12,700,000 to $38,300,000.

Swift's move to reorganize and shift the emphasis from fresh meat packing to marketing branded products is beginning to bear fruit. Its contributions to Esmark's earnings increased from 8% in 1977 to 21% in 1978.

- The company had found itself losing out to stiff competition from modern and efficient meat processing operations such as Iowa Beef Processors and Missouri Beef Packers. But, starting in 1973, Swift restructured its organization from a highly decentralized operation into four primary operating centers: Consumer products, food service, fresh meats and international.

Last year, Swift spent $46,900,000 to advertise products in these four categories.

The consumer products include such branded products as Butterball turkeys, Peter Pan peanut butter, Brown 'N Serve sausages, Swift Premium processed meats, Strongheart dog food and Rival dog food—a new acquisition.

Swift's Li'l Butterball, a 4 to 10-lb. whole turkey, Butterball turkey breasts and Butterball stuffed turkeys were introduced into test markets last year and this spring moved into regional markets: Chicago, Milwaukee, Peoria, Oklahoma City, Nashville and Syracuse.

The Butterball line was supported by $2,977,600 in measured media spending last year.

- Sizzlean, a pure pork bacon-like breakfast strip that is 50% leaner than bacon, achieved national distribution in 1978 and was supported by $7,200,000 in advertising and promotion, including $4,161,600 in measured media. That is a 43% increase over last year's measured media figure.

Firebrand, an all beef breakfast strip, was expanded into regional markets, backed by $1,018,200 in measured support.

An extension to the successful Brown 'N Serve line, Brown 'N Serve ham patties, went into test market in 1978, backed by $79,800 in measured ad spending.

Homemade Soup Starter, a dried soup product that requires that only meat and water be added, went national in the fall, with $6,600,000 in 1978 measured media support. Stew Starter, a companion to the soup product, was placed in test market in the Quad Cities and possibly in other cities this spring.

- Estech, Esmark's chemical division, had a 4.6% sales increase from $471,200,000 to $493,900,000, but earnings were down 3.51%.

The company reported a slowdown of farm fertilizer sales last year, due to reduced acreage planting and unfavorable weather conditions. Despite that development, Estech's fertilizer market share was up for the year, and the first six month's sales figures from 1979 indicate a 7% growth in fertilizer sales. It is expected that Estech's fertilizer sales will bloom next year.

Golfer Jack Nicklaus was again spokesman for Estech's lawn and garden division, which reported a sales increase of 20%. Mr. Nicklaus promotes Vigoro, the No. 2 brand after Scotts, and Par Ex brands. Vigoro introduced a revamped graphics system for its products in 1979.

Estech has two other subsidiaries, Estech Specialty Chemicals Corp., which manufactures and sells industrial adhesives, specialty chemicals and lubricants, and Doric Corp., which sells to the dental industry through the Patterson Dental Co. and Centra brand name.

- Estech has embarked on a program to strengthen its corporate identity with ads placed in several trade publications in late 1978 that are scheduled to run throughout 1979.

International Playtex had fiscal 1978 sales of $467,100,000, a 12% increase over 1977. Earnings were up only about 2%, but the division was still the largest contributor to Esmark's 1978 profits with 29% of total earnings. Last year's lower earnings were attributed to higher product costs and to high new product introduction costs.

Playtex' Givenchy and Round the Clock pantyhose lines, acquired when Playtex bought the Pennaco division of U.S. Industries in 1977, have put the company firmly in the hosiery market.

The company also is strengthening its position in the tampon market—although at a decreasing rate because of greater competition—with the growth of

1978 AD $ SUMMARY

See page 137

LNA

How to steal the show for the price of an airline ticket.

You start out with our 8' X 10' Porta-Show, die cut from Monsanto Fome-Cor panels.
Then you add Mylar covering, graphics, lights, and Presto!
The whole show can accompany your luggage on a jet.
Then you or any one person can set it up in 10 minutes.
Send for your Complete Porta-Show Planning Kit today.
And start stealing the shows.

PORTA-SHOW
from
THE BLUE THUMB CO.
5247 San Fernando Road West
Los Angeles, CA 90039
Phone: (213) 240-6041

© The Blue Thumb Company, Inc. 1978

its Playtex Plus tampons which were introduced in 1977 and with the conversion of the rest of its line to high absorbency fibers. Tampons received $5,729,700 in measured media support.

- The intimate apparel division was active in 1978 in the new product and line extensions arena, featuring new styles and materials and supporting those efforts with heavy television advertising.

Playtex bras received $11,947,300, the largest chunk of measured media spending, which totaled approximately $27,791,400. The 18-Hour bra introduced its first seamless style and continued to use Jane Russell as spokeswoman. The Cross Your Heart line offered a cotton version, Free Spirit and Instead bra expanded their lines and Free Spirit Fanny Shapers and Fanny Smoothers were introduced.

The entire Playtex intimate apparel line faced heavier competition last year from chain store private label brands and a slowdown in consumer purchases.

A new bra and panty line under the Givenchy designer label called Underdressings, is in test in Kansas City, supported by tv and print advertising prepared by Ogilvy & Mather. National rollout is expected in the fall.

- Vickers Energy Corp. had a 3.6% rise in sales in 1978 to $627,800,000. Earnings were down 24% from $41,900,000 in 1977 to $31,800,000 in 1978. The earnings decline was linked to problems with Vickers Petroleum Co., which experienced a maintenance shutdown of its Ardmore, Okla., refinery, and to unfavorable industry conditions.

The company plans to open 40 new Vickers service stations in 1979; 37 were added last year. George Gobel, who has represented Vickers for 15 years, will continue as the company's spokesman.

Esmark's newest acquisitions, STP Corp. and Pemcor, make up the company's automotive division. The division had sales of $218,600,000, a 52% increase over 1977, and earnings of $23,800,000, up 44%.

STP Corp. markets automotive products such as gas and oil filters and oil and gas treatments. In 1978, it introduced Son of a Gun, a restorative spray for vinyls, rubber, leather and wood. It was backed by $2,499,500 in measured ad spending.

Pemcor makes automobile audio equipment and home high fidelity sound equipment, including its highly regarded Jensen speakers. Jensen car speakers and loud speakers received $714,700 in measured media.

ADVERTISING EXPENDITURES*

	1978	1977
Newspapers	$2,515,900	$2,026,900
Magazines	3,642,600	2,518,800
Spot tv	18,722,700	10,090,300
Network tv	41,616,100	34,208,400
Spot radio	642,600	175,000
Network radio	172,700	—
Outdoor	59,300	53,600
Total measured	67,371,900	49,073,000
Unmeasured	74,059,100	59,279,000†
Total	141,431,000	108,352,000†

*From AA's usual sources †Restated

ADVERTISING EXPENDITURES**

	1978	1977
Newspapers	$34,938	—
Magazines	3,642,600	—
Spot tv	18,722,700	—
Network tv	41,616,100	—
Spot radio	18,452,800	—
Outdoor	59,300	—
Network radio	172,700	—
Newspaper supplements	995,400	—
Total	83,696,538	—

**Media figures supplied by Esmark

ESMARK INC.
Chicago

MARKETING PERSONNEL

Donald P. Kelly, president/ceo
Philip L. Thomas, vp, corp communications

ADVERTISING AGENCIES

Dancer Fitzgerald Sample, San Francisco—John Lockridge, acct exec

SWIFT & CO.
Chicago

MARKETING PERSONNEL

William S. Watchman Jr., president/ceo
Robert N. Hiatt, group vp, processed foods group
Scott A. Wallace, president, consumer products div
John F. Murphy, president, food service div
Malcom B. Gordon, media director, Swift mktg services

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Peter Pan, Butterball, Homemade Soup Starter—A. Yurman, mgmt super.

William Esty Co., New York—Brown 'N Serve, Sizzlean, Firebrand, processed meats—S. Aubrey, mgmt super.

Kenyon & Eckhardt, New York—special mktg assignments, Swift D&P Sesco—John Balson, senior vp, genl mgr.

ESTECH INC.
Chicago

MARKETING PERSONNEL

Joseph P. Sullivan, president/ceo
Edward R. Vrablik, president, Estech General Chemicals Corp.
Frank R. Jarc, vp, consumer products
James M. Snodgrass, president, Estech Specialty Chemicals Corp.
Russell G. Tait, director, mktg
David W. Carter, president, Doric Corp.
William J. Regan, vp, mktg

ADVERTISING AGENCIES

Post-Keyes-Gardner, Chicago—Vigoro

Dancer Fitzgerald Sample, San Francisco—Estech corporate identity—John Lockridge, acct exec.

Sawyer Advertising, Gainesville, Fla.—agricultural fertilizers—George Sawyer, acct exec.

Inter-Ag Associates, Chicago—agricultural fertilizers—Ralph Peebler, acct exec.

Howard Monk & Associates, Rockford, Ill.—Estech Speciality (adhesives)—W.C. Kerschner, acct super.

Roy Zeff Agency, Skokie, Ill.—Estech Specialty (specialty chemicals)—Ernie Nordlinger, acct. super.

Colle & McVoy, Minneapolis—Doric Corp—Thomas Engquist, acct super.

Killer!
That's a Jensen car audio system.
That's the thrill of being there.
JENSEN
The thrill of being there

Esmark's 1978 acquisition of Jensen, a car audio system and home speaker maker, reflects its move to diversify from the fresh meat processing arena.

VICKERS ENERGY CORP.
Wichita, Kan.

MARKETING PERSONNEL

Richard J. Boushka, president/ceo
F.E. Harrel, senior vp
Harold Gruskin, president, Vickers Petroleum
Richard S. Snider, director, adv

ADVERTISING AGENCY

Ackerman Advertising, Tulsa—J. Nauser, acct super.

INTERNATIONAL PLAYTEX
Stamford, Conn.

MARKETING PERSONNEL

Joel E. Smilow, president/ceo
Walter W. Bregman, president, Playtex USA
Ralston H. Coffin, Jr., group vp, family products/hosiery
George H. Fellows, vp, genl mgr, intimate apparel
Michael A. Kaufman, vp, mktg, intimate apparel div
Michael A. Goodman, vp, mktg, family products div
Joseph W. Daly, director, adv

ADVERTISING AGENCIES

Ted Bates & Co., New York—bras, girdles, rubber gloves—J. Rothberg, senior vp, director.

Grey Advertising, New York—bras, girdles, tampons, nurser—R. Schoenfein, exec vp.

Ogilvy & Mather, New York—bras, panties, girdles, all-in-ones—J. Blaney, senior vp, mgmt super.

STP CORP.
Fort Lauderdale, Fla.

MARKETING PERSONNEL

Craig A. Nalen, president/ceo
John R. Preston, senior vp, U.S. operations

ADVERTISING AGENCIES

J. Walter Thompson, New York.

Henderson Advertising, Greenville, S.C.—motor oil, filters, carburetor cleaner.

Dunham & Marcus—Son of a Gun.

PEMCOR INC.
Westchester, Ill.

MARKETING PERSONNEL

Edward F. Anixter, president/ceo
Jerry Kalov, president, Jensen Sound Laboratories
James S. Twerdahl, vp, genl mgr, car audio components group
William A. Stone, mktg mgr
Jack D. Buchanan, mktg services mgr
James C. Johnston, vp, genl mgr, home audio group
Chuck Wendt, mktg services mgr

ADVERTISING AGENCY

Lee King & Partners, Chicago—car audio and home audio groups—George Demos, John Murphy, acct execs.

Exxon Corp.

	1978	1977
Sales	$64,886,000,000	$58,458,000,000
Earnings	2,763,000,000	2,443,000,000
Advertising	38,000,000	35,270,800

Exxon Corp., New York, the 82nd largest advertiser, increased domestic advertising expenditures 8% to $38,000,000 in 1978.

Exxon's worldwide revenue reached $64.9 billion in 1978, up 11% from the year before, while earnings rose 11.6% to $3.4 billion from $3.1 billion in 1977.

Currency translations, which contributed to losses on the 1977 balance sheet, were transformed into gains in 1978 as the U.S. dollar gained strength in some parts of the world. Higher volume and improved sales prices also influenced last year's gains.

Earnings from petroleum production and related transportation increased 14% in 1978, due in large part to expanded recovery from Alaska, the North Sea (United Kingdom) and Malaysia.

But while Exxon's petroleum operations took in $2.48 billion in earnings last year, compared to $2.16 billion in 1977, over-all production declined, the company said, citing lower volume in the Middle East and Venezuela, as well as depletion of mature fields here.

- While declines in the sale of heavy fuel oil balanced increased sales of gasoline to yield only a slight gain in refining and petroleum marketing volume, earnings for Exxon's "downstream" operations climbed 16% to $876,000,000 worldwide last year.

U.S. earnings hit $294,000,000, up from $267,000,000 in 1977, but domestic petroleum product sales declined 12,000 barrels a day to 1,736,900 barrels in 1978.

Despite a sales boost at the company's existing service stations, Exxon remained in third place in the retail gas market.

The company's market share rose 0.2% to 7.3%, but Amoco (Standard Oil Co. of Indiana) and Shell Oil continued to lead the retail market as they did in 1977, finishing last year in a dead tie with 7.7%, according to the Lundberg Letter, an industry newsletter.

In 1977, Shell ousted Texaco from the No. 1 spot, holding a 7.53% share; Amoco moved to No. 2 with 7.3%, and Exxon followed with 7.14%. The longtime leader, Texaco, finished 1977 with 7.11% and fell still further in 1978 to 6.7%, according to the "Lundberg Letter's" findings.

- Exxon's continuing efforts to reduce costs led to a further jettisoning of 1,000 company-owned and leased service stations last year, bringing the total since 1972 to 15,000 stations closed. During that time, however, Exxon's remaining outlets raised their product sales volume 20%.

Not reflected in last year's product volume is $316,000,000 in natural gas revenue that the Department of Energy alleges Exxon overcharged customers. An Energy Department suit was filed in a Washington, D.C., federal court last year covering improper cost calculation before Dec. 31, 1977.

While contesting the current suit, Exxon had earlier filed its own suit in Dallas against "government efforts to apply retroactively ambiguous and complex regulations."

While Exxon has continued to divest itself of gasoline service stations, the company is building its chain of "Esso Shops," non-automotive convenience stores, in Europe and Brazil. There are now more than 3,000 Esso Shops in operation.

- Chemical sales increased 11% last year over 1977, while earnings rose 21% to $268,000,000 worldwide. Overseas income accounted for the major portion of earnings growth, with most of the 41% jump in foreign earnings coming from Europe and the Far East.

Exxon continued to place significant marketing weight behind its Uniflo motor oil, reformulated in 1977 for greater fuel efficiency. As gasoline supplies have tightened over the past year, motor oils with friction-reducing additives to stretch gas efficiency have become a more competitive segment of the motor oil market.

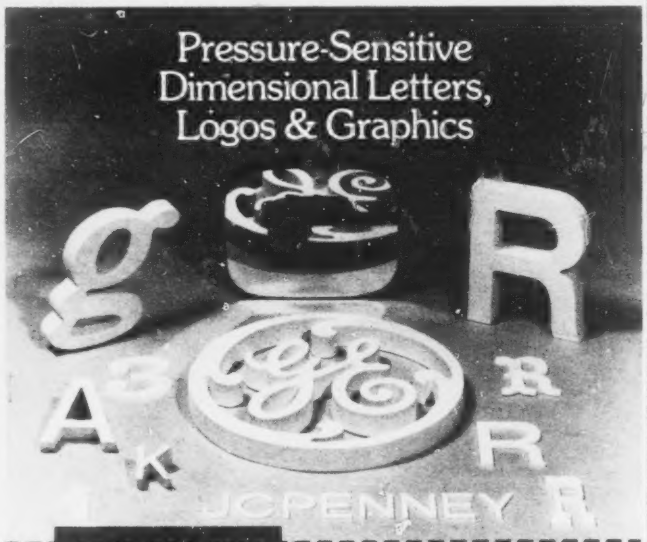
Mobil 1, Mobil Corp.'s heavily-advertised fuel-efficient product, and Uniflo hold the lead in that market segment, and Exxon greatly increased its ad expenditures for the product. Measured spending, excluding newspapers and spot radio, rose to $6,532,000 in 1978 from $1,767,000 the year before, according to Leading National Advertisers.

As gas supplies grew scarcer and prices rose, Exxon and its competitors focused attention on "gas saving" motor oil as much to enhance their corporate reputations as to promote a more desirable product.

- As with most oil companies, the major portion of Exxon's ad budget funded the company's corporate advertising. Under the continuing campaign banner, "Energy for a strong America," Exxon ads described the company's efforts to discover new sources of energy and stretch traditional sources.

Public interest activities also kept pace with over-all promotional outlays, rising 10% to $33,000,000 from $28,000,000 in 1977. Of that total, $28,000,000 was contributed in the U.S., while $5,000,000 was given by affiliates abroad in the countries where they operate.

In public broadcasting, Exxon again underwrote several PBS offerings with estimated spending of $5,000,000, making it one of the leading corporate patrons. Recipients in 1978 were PBS' "Great Performances," "MacNeil/Lehrer Report" series, "Live From Lincoln Center," a broadcast of the com-



SEND FOR FREE CATALOG

SCOTT PLASTICS CO.
P.O. Box 2958
Sarasota, FL. 33578
813 - 355-5171

Name ....
Company .... Phone ....
Address ....
City .... State .... Zip ....

1978 AD $ SUMMARY

See page 137

LNA

MARKETING PROFILES

plete Shakespeare plays and the documentary series "Global Papers."

Exxon's corporate advertising appeared largely on NBC-TV's "Meet The Press" and "Saturday Evening News," and ABC-TV's "Issues and Answers." Whereas Exxon shifted some of its ad dollars to network tv and consumer magazines in 1977, the mix in 1978 returned to its prior emphasis on spot broadcast buys as network tv spending fell. Consumer magazine spending remained strong in 1978.

■ Exxon's budget for measured domestic media grew approximately 8% in 1978 to $31,260,800. In 1977, the company spent $29,000,000 in measured media.

The oil company's total tv spending stayed about even at $19,471,700 in 1978 compared with $19,588,900 in 1977, but spot tv gained approximately $3,000,000 at network tv's expense. The greatest budget shift occurred in spot radio, up to $4,022,000 in 1978 from $2,392,060 the year before.

The fervor with which Exxon pursued new ventures, under the auspices of its Exxon Enterprises division, again demonstrated the company's drive to prosper outside the energy field. The division's information-processing systems were paced by Exxon's Vydec text editing system, which grew 80% in volume to $44,000,000.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,958,100	$1,822,200
Magazines	5,178,900	4,919,800
Farm publications	187,800	120,100
Spot tv	6,803,700	3,820,100
Network tv	12,668,090	15,768,800
Spot radio	4,022,000	2,392,000
Outdoor	442,300	327,800
Total measured	31,260,800	29,170,800
Unmeasured	6,739,200	6,100,000
Estimated total	38,000,000	35,270,800

EXXON CORP.

New York

MARKETING PERSONNEL

J.K. Kansas, mgr, communications programs
J.M. Irwin, senior advisor, corp adv

ADVERTISING AGENCY

McCaffrey & McCall, New York—John Collins, Ralph S. Thomas, acct supers

EXXON CORP., U.S.A.

Houston

MARKETING PERSONNEL

R.T. Harvin, adv mgr
T.W. Wilson, adv coordinator
W.T. Hogren, mgr, industrial adv
J.J. Rouse, pr mgr
J.B. Davis, coordinator, communications services

ADVERTISING AGENCY

McCann-Erickson, Houston—J.G. Hetherly, Thomas Grogan, Jerry Stahl, acct supers

EXXON CHEMICAL CO., U.S.A.

Houston

MARKETING PERSONNEL

R.W. MacDonald, mgr, public affairs
G.W. Laird, mgr, mktg services
F.J. Abbruscato, pr mgr
C.E. Huxley, mktg services associate
W.R. Fenwick, senior staff coordinator, creative services
M.A. Pratt, mktg services, staff coordinator

EXXON ENTERPRISES

ADVERTISING AGENCIES

McCaffrey & McCall, New York—Vydec—Michael Keenan, acct super

Lois, Pitts, Gershon, New York—Quip, Qyx, Qume—Penny Mercier, acct exec

Ford Motor Co.

	1978	1977
Sales	$42,784,100,000	$37,841,500,000
Earnings	1,588,000,000	1,673,000,000
Advertising	210,000,000	184,000,000

Ford Motor Co., Dearborn, Mich., the 8th largest national advertiser, spent $210,000,000 in '78 advertising, up 14% from the $184,000,000 spent in 1977. Records were set in dollar and unit sales and profits were the second best in history.

Yet Ford said the year was one of "challenges and difficulties." The company was talking about inflation, capital expenditures and government regulation, but the phrase also could apply to marketing.

The year saw Ford fire its highest-ranking marketing exec starting a chain of events that stripped it of a major ad agency. Other difficulties arose with the other big agency. Chairman Henry Ford II completed his reorganization of top management paving the way for him to step down.

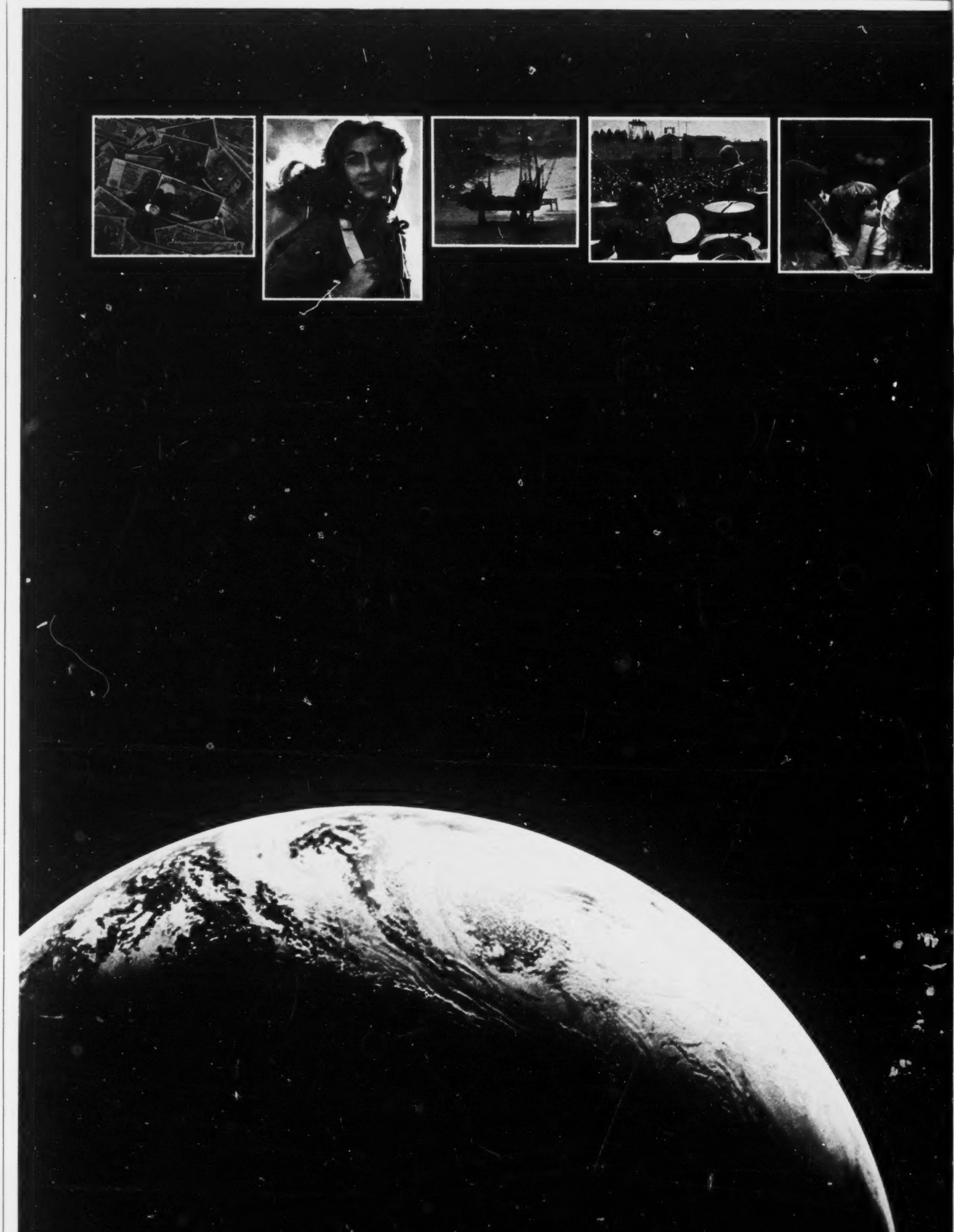
When Mr. Ford stepped down at the annual meeting this spring, the company lost its severest advertising critic. He had run the company for more than 34 years. But Mr. Ford characteristically still kept a finger in the pie. He turns over his duties as chief executive officer Oct. 1 to president Philip Caldwell but will remain as chairman.

■ As usual, Mr. Ford's figure for media outlays during the year exceeded measured media spending—$210,000,000 to $172,038,700. Worldwide ad expenditures came to $346,200,000 up from $295,800,000 in 1977.

Dollar sales worldwide rose 13% to a record $42.8 billion from $37.8 billion and vehicle sales hit an all-time high of 6,552,000 units, or 2,000 higher than the 1977 record. Net income was $1,589,000,000, second to the record $1,673,000,000 in 1977. Earnings were cut by a strike in Great Britain.

Ford's share of the worldwide car market stayed at 15.7%. Ford increased its share of the U.S. market to 23.6% from 23.4%. U.S. retail car sales totaled 2,662,926 up from 2,615,217 and truck sales rose to 1,365,718 from 1,214,622, giving Ford truck leadership.

U.S. sales were a record 4,028,644 cars and trucks, giving Ford 26.1% share of the market, up 0.3% from 1977. Ford division dealers deliv-



ered a record 3,256,580 cars and trucks and, in its first full year of sales, the compact Fairmont became the best-selling new car in the history of the industry. Fairmont's 422,690 sales topped the old record of 418,812 set by the 1965 Mustang.

■ Lincoln-Mercury division also had a record 1978 with sales of 772,064 cars against 711,872 in 1977. The Zephyr, a twin of the Fairmont, pushed the division to its best market share in history—6.8%.

The results were a swan song for Kenyon & Eckhardt, the L-M and corporate agency which resigned the account to take over the Chrysler Corp. business. After Lee Iacocca was fired as president by Mr. Ford, he joined Chrysler late in the year and early in 1979 spirited away K&E. It was the biggest account change in history.

Meanwhile Ford division and its agency, J. Walter Thompson, were having their problems. A dispute over billings placed the Ford account in jeopardy. A Ford audit turned up failure by the agency's sales promotion division to pass along volume credit discounts from suppliers as stipulated in the Ford contract.

A JWT art subsidiary also billed the parent agency at retail rates and JWT then added its commission thus taking a double billing. The result that JWT reimbursed Ford with a payment in the high six figures and the agency, with still another management change in its Dearborn office, folded the sales promotion division.

■ JWT weathered that storm, perhaps aided by K&E's resignation of the Lincoln-Mercury account which plunged Ford into a search for new agencies.

It all started when Mr. Iacocca had dinner with Leo-Arthur Kelmenson, K&E president. That resulted in Mr. Iacocca stealing Mr. Ford's agency for the $120,000,000 Chrysler account.

Dropped were BBDO for Dodge and Young & Rubicam for Chrysler-Plymouth. Both ex-Chrysler agencies and Ogilvy & Mather pitched L-M, Ford corporate and smaller Ford accounts held by K&E.

Y&R won L-M and Ford Parts and Service division and dark horse Wells, Rich, Greene got Ford corporate, Ford Motor Credit, Ford Land Development Corp. and Ford Glass division.

O&M not only lost out at Ford, but Mercedes-Benz fired them for pitching the account. The big switch stunned the Detroit ad community. K&E had been with L-M for 34 years; BBDO and Chrysler had 35 years, and Y&R was with Chrysler 21 years.

John Morrissey's move from Ford division to K&E came several months before the big switch. Mr. Morrissey, who headed JWT's team on the original Mustang and worked closely with Mr. Iacocca, joined K&E as exec vp and general manager of the Dearborn office. When David J. Gillespie stepped down as chairman, Mr. Morrissey succeeded him.

Things were smooth on the agency front when Ford kicked off the 1978 models. Even before the 1979 fuel pinch, mpg was the big item Ford division was selling. It said it would concentrate a lot of effort on the Fairmont as federal fuel economy standards tilted the market to the compact and intermediate segments.

Even then officials were predicting Fairmont would displace Mustang as the top first year car—a prediction that underscored the waning influence of Mr. Iacocca, "father of the Mustang."

The ABCs of the marketplace for the 1978 models were mileage, room and price, said Mr. Morrissey, then general marketing manager. Fairmont was the "Ford in your future."

Ads for another mpg car, the subcompact Pinto, stressed its performance against other subcompacts, and the compact Granada took on Mercedes-Benz—at least in the ads.

RKO
RADIO
NETWORK

OCTOBER 1, 1979
A NEW LIFESOUND
THE RKO RADIO NETWORK

A new dimension in sound. It's called Life. The RKO Radio Network. Giving young Americans an edge on their new decade. A fresh approach to news... the personal impact of global events. Demographic features on issues and trends... programmed to touch and inform. Entertainment specials to bring music stars and super novas down to earth.

The RKO Radio Network. A new Lifesound. October 1, 1979. Previews at the NAB in St. Louis.

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MARKETING PROFILES

Thunderbird pushed "style at a surprising price" and Mustang II, a Pinto at heart, went after the youth market. The still-big LTD made Ford the home of the whopper. Ford tested a 24-page preprint color insert in 250 college newspapers.

The two-door sporty Futura was launched a bit later in the model year to take on the intermediate specialty offerings of General Motors.

▪ The 1979 Mustang advertising tried to bring back "excitement, fun and pizzazz" to a market concerned with meeting mpg requirements. Ford didn't return to the original Mustang advertising because the market had changed—it no longer occupied a unique niche. The horse did come back as the car was billed as a "New breed of Mustang." The car was teamed with the newly downsized LTD in campaigns that included a newspaper supplement to 60,000,000.

For a change, Ford officials welcomed the gas mpg rules. "Nothing stimulates a market more than a change," said Walter Walla, general manager. The small car market was the "battlefield of the future," he said.

Pinto, under attack for gas tank fires, got a fix that hopefully solved that problem as well as an extensive facelift. LTD became "The new American road car." Fiesta, the German subcompact import, was "Wundercar" and Fairmont was dubbed "America's success car."

Ford truck advertising crowed about sales leadership. Thunderbird was airborne with "Come fly with me" and Granada continued jousting with Mercedes.

▪ Pinto sales, aided by a special campaign featuring price comparisons against imports and others, staged a modest comeback. Fairmont needed spring help as the whole compact market slipped. But long lines at gas stations quickly revived that market and sent the one for big cars like LTD into a tailspin.

With mpg becoming much more important than marketers were predicting in 1978, Ford changed its small car marketing stance for the 1980s. It scrapped plans to meet GM's new compact line head-on with its own front-wheel-drive Derby and decided to build Fiesta as a U.S. mini-car as well as come up with a replacement for the elderly Pinto.

The full-size Ford LTD was dethroned as the Ford division sales leader. Sales were first helped by its "last of the big car" marketing push and then hurt by the downsizing as buyers took time to accept the new model.

LTD sales came to 332,930, down from 380,499 the previous year, but the slack was taken up by Fairmont at 405,780, up from 167,841, and Mustang at 199,760, against 170,659 the previous year. Thunderbird was off a bit but still strong while Granada slumped by a third.

LTD II was hampered by a cutback in production capacity and Pinto's fuel tank problems that held 1978 sales to 167,880, compared with 220,775 in 1977.

Fiesta boomed to 76,145, almost double the 1977 sales of 40,549. In all, Ford division sales slipped to 1,890,862 from 1,903,345.

▪ Lincoln-Mercury started off early with the 1979 Versailles, the luxury compact aimed at the Cadillac Seville. It bowed a month ahead of the rest of the line with heavier advertising, particularly on tv with a Frank Sinatra song in the background.

L-M added actor Cliff Robertson as tv spokesman for the newly downsized Marquis, the LTD sibling. The car was lauded as "the most scientifically engineered Marquis in history."

Capri, the Mustang look-alike, retained its European background with "the sexy European" becoming "The sexy new '79 Capri, a miracle under $4,700." Capri no longer was imported from Germany. The car was aimed at domestic and import sporty car buyers and included a V-8 performance model that was to run into the fuel situation.

L-M made a virtue out of necessity when it launched the big Lincoln-Continental and Mark V as "the last of the breed" with a "Collector's Series." For 1980, those cars would be downsized. The long lines at the gas pump in the spring meant long lines of Continentals and Marks on dealer lots.

By spring, L-M was into a $3,000,000 campaign against the new GM compacts to push sales of fuel-efficient cars like Bobcat (Pinto), Zephyr, Monarch (Granada) and Capri.

L-M filled the air and magazine pages with the campaign that included special value packages. The six-week campaign was more intensive for its span than the fall launch.

▪ Lincoln-Mercury set a record with 772,064 unit sales, up slightly from 771,872 the year before, with the luxury personal XR-7 (twin of the T-Bird) the best-seller at 159,687. The full-size Mercury was next with 136,719, a drop from the 140,610 of 1977.

Zephyr, like Fairmont, was a success story with sales of 120,781, up from 42,234, while Lincoln and Mark V were contained only by capacity and finished slightly higher than the previous year.

There were no big surprises in Ford's measured ad spending. A 75th anniversary network telecast was swallowed up in the $110,798,500 the automaker spent on tv, up from $94,119,100 the year before and the biggest single media expenditure both years. Network outlays accounted for most of it.

Newspapers again topped magazines—$27,209,700 to $23,744.900. Spot radio dipped to $6,475,000 from $7,568,000.

Again the Ford division accounted for the lion's share of the budget with a total of $142,199,200, of which $116,879,100 was measured and $25,320,100 unmeasured. Last year, the total was $115,258,700, with $93,901,700 measured and $21,357,000 unmeasured.

Network tv was the only big gainer, going to $55,896,900 from $46,171,000. Newspapers stayed even, $19,109,700 to $19,053,300, and magazines slipped to $18,951,400 from $19,691,600. Radio also fell, to $5,827,500 from $7,008,000.

▪ Lincoln-Mercury's total of $63,231,600 was up substantially from the $52,245,300 of 1977, with the big increase in tv. Expenditures on the tube totaled a measured $37,035,500, up from $31,080,400. Magazines got $4,705,600, down from $5,132,100.

Of L-M's totals, $50,590,400 was measured in 1978 against $44,667,300 the year before.

But Ford was spending well in non-car campaigns as well. The company's 75th anniversary was marked by a two-hour tv special that was interrupted five times for commercials—some as long as 3½ minutes. Bill Cosby, the corporate spokesman, delivered the message in that and in "Ford wants to be your car company" commercials.

Ford Parts and Service division backed an optional service contract with an $8,000,000 ad campaign. Ford had been operating the program for two years without much fanfare, but when GM broke its 36-month plan, Ford cut prices and went to bat. The price reductions were centered around small cars to help them stave off import competition.

Ford Life Insurance Co. moved into major media, stepping up direct mail to 20,000,000 pieces and tying that to market-by-market newspaper support. Ford Life concentrated on credit insurance for auto loan borrowers.

Ford Parts and Service and a group of Detroit area auto parts wholesalers got together in a program to advertise Motorcraft parts. Ford started marketing sparkplugs under Motorcraft rather than Autolite.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$27,209,700	$26,835,600
Magazines	23,744,900	25,351,600
Farm pubs.	1,971,700	1,871,500
Spot tv	31,287,900	28,033,700
Network tv	79,510,600	66,085,400
Spot radio	6,475,000	7,568,000
Network radio	530,800	1,007,100
Outdoor	1,308,100	1,116,100
Total measured	172,038,700	157,869,000
Unmeasured	37,961,300	26,131,000
Total	210,000,000	184,000,000

CORPORATE MARKETING PERSONNEL

A. B. Connors, vp, mktg
John R. Bowers, director, adv/merch strategy
J. B. McMechan, mgr, adv. programs
F. R. Wuellner, mgr, adv policy/strategy

ADVERTISING AGENCY

Wells, Rich, Greene, New York—Alan Breward, senior vp and group head; Thomas Derderian, vp, mgmt super; Paul Barrett, senior vp, genl mgr, Detroit office

FORD DIVISION

MARKETING PERSONNEL

W. S. Walla, vp, genl mgr
B. L. Crumpton, genl sales mgr
M. S. Shanks, asst genl sales mgr-truck
L. E. Lataif, genl mktg mgr
R. A. Ablondi, adv mgr
R. J. Gillooly, car adv mgr
J. H. Baird, dealer adv mgr
W. D. Lancaster, truck adv mgr
D. T. McClure, merch mgr
J. P. Snook, vehicle sales promo mgr
D. M. Pohlod, vehicles sales training mgr
A. R. Krueger, heavy truck sales/mktg mgr

ADVERTISING AGENCY

J. Walter Thompson Co., Dearborn, Mich.—J.W. O'Connell, genl mgr; C. J. Balestrino, grp mgt super, car; D.L. Sinclair, mgt super, car; K.N. Campbell, acct super, car; M.R. Curran, acct super, car; J.S. Deibel, acct super, car; W.D. Williams, acct super, car; T.A. O'Connell, acct super, car; G.B. Niemi, grp mgt super, truck; B.W. Miller, acct super, truck; A.C. Kesteloot, acct super, truck; T.M. Hrtanek, acct super, truck; R. Gambele, mgt super, Ford dealer adv.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$19,109,700	$19,053,300
Magazines	18,951,400	19,691,600
Farm pubs.	1,900,000	1,815,400
Spot tv	13,389,200	13,599,800
Network tv	55,896,900	46,171,000
Spot radio	5,827,500	7,008,000
Network radio	530,800	827,300
Outdoor	1,273,600	1,076,200
Total measured	116,879,100	93,901,700
Unmeasured	25,320,100	21,357,000
Total	142,199,200	115,258,700

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Ford	332,930	380,499
LTD II	138,947	203,922
T-Bird	304,430	323,823
Club Wagon	45,964	38,761
Granada	219,026	355,186
Fairmont	405,780	167,841
Pinto	167,880	220,775
Mustang	199,960	170,659
Fiesta	76,145	40,549
Total	1,890,862	1,903,345

LINCOLN-MERCURY DIVISION

MARKETING PERSONNEL

W. J. Oben, vp, genl mgr
Thomas G. Daniels, genl sales mgr
Robert L. Rewey Jr., genl mktg mgr
J. B. Vanderzee, adv mgr
P. H. Cayce, merch mgr
J. C. Turnacliff, adv coordinator
D. L. Sippel, major mkt dealer adv mgr

ADVERTISING AGENCY

Young & Rubicam, Detroit—William A. Power, sr vp, mgr of the Detroit office; Roby Harrington, exec vp, dir of N.Y. operations; Rick Calvillo, sr vp, mgmt super; Chuck Riley, vp, acct super, Mercury small cars; Greg Stein, sr acct exec; John Wattles, acct exec; Alison Belte, acct coordinator; Dick May, acct super, Mercury large cars; Warren Winstanley, sr acct exec; Glenn Northrop, acct exec; Sandy Rowland, acct coordinator; Peter Harris, acct super, luxury cars; Timothy Cooney, acct exec; Mark Moyer, acct exec; Michael Wilberding, acct coordinator.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$8,100,000	$7,782,300
Magazines	4,705,600	5,132,100
Farm pubs.	71,700	56,100
Spot tv	17,705,400	14,356,800
Network tv	19,330,100	16,723,600
Spot radio	647,500	560,000
Network radio	—	21,800
Outdoor	30,100	34,600
Total measured	50,590,400	44,667,300
Unmeasured	12,641,200	7,578,000
Total	63,231,600	52,245,300

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Mercury	136,719	140,610
Cougar	35,251	53,207
XR-7	159,687	129,779
Monarch	78,824	106,821
Zephyr	120,781	42,234
Bobcat	30,201	35,481
Lincoln	97,009	92,985
Mark V	75,731	74,807
Versailles	15,747	13,490
Capri, Dom	18,035	—
Capri, Import	4,079	22,458
Total division	772,064	771,872

FORD PARTS & SERVICE DIVISION

MARKETING PERSONNEL

C.V. Barion, genl mfg
G.C. Chave, service programs mgr
R.W. Knipper, prod and mktg mgr
M.L. Jones, mktg mgr
K.C. Merrill, exec dir, parts operations;
R.L. Rodriguez, adv mgr

ADVERTISING AGENCY

Young & Rubicam, Detroit—W.J. Cudlip, acct super; T.J. Ryan, acct exec; R.M. Sontag, acct exec; J. Sanders, sr vp-mgmt super.

ADVERTISING EXPENDITURES

	1978	1977
Magazines	$87,900	$527,900
Spot tv	193,300	77,100
Network tv	4,283,600	3,190,800
Network radio	—	158,000
Outdoor	4,400	5,300
Total	4,569,200	3,959,100

TRACTOR & IMPLEMENT OPERATIONS (NORTH AMERICA) OF FORD TRACTOR OPERATIONS

Troy, Michigan

MARKETING PERSONNEL

M. H. Manning, vp-genl mgr
J. H. Grommersch, asst genl mgr, sales/mktg
H. J. Head, genl operations mgr
J. J. L. Johnson, genl sales mgr
B. J. Lamp, mktg mgr
A. H. Pridgeon, adv/sales promo mgr

ADVERTISING AGENCY

Meldrum & Fewsmith, Southfield, Mich.—Dean Neill, exec vp; O. Leffler, senior acct exec; J. Bryon, M. Shencopp, acct execs.

General Electric Co.

	1978	1977
Sales	$19,653,800,000	$17,518,600,000
Earnings	1,229,700,000	1,088,200,000
Advertising*	121,294,400	112,210,300

*AA estimate

General Electric Co., Fairfield, Conn., the 31st largest advertiser in the U.S., increased its domestic advertising spending by an estimated 8% in 1978 to $121,294,400. The company reported total worldwide ad spending of $247,400,000, a 13% increase over 1977.

Bigger media outlays for certain GE consumer products, notably home air conditioning and heating systems and GE food processors, contributed to the increase.

But the biggest single boost was for general promotion, which the company increased by more than 66%. This was tied to special anniversary advertising as 1978 was GE's 100th year in business. GE's centennial ad efforts included a corporate magazine campaign introduced in the fall; a two-hour prime time ABC television special in addition to regular programing, and a series of GE customer dinners in which actor Pat Hingle portrayed Thomas Edison.

GE won a CLIO award for best corporate commercial for a related ad in which Mr. Hingle as Edison explained the outdoor lighting used for the 1927 Tunney-Dempsey fight.

▪ But the company didn't make bigger media outlays across the board. Although it boosted its magazine budget by $8,330,400, it trimmed its television expenditures for the year by nearly the same amount. Network radio was slashed a full 86% to only $176,400.

In 1978, GE began to reap the benefits of the major restructuring it completed in 1977. Sales of GE products and services rose 12% to $19.65 billion and earnings hit a record high of $1.23 billion, a 13% increase.

Six operating sectors, each headed by its own executive, freed top management from a burden of details and the company says it is now tapping new growth sources including new types of products, man-made materials, natural resources and business services.

Consumer products and services, by far the most significant sector in terms of large advertising outlays, contributed 23% of total GE revenues and 30% of earnings. Its revenues amounted to $4.86 billion and its net earnings to $377,000,000.

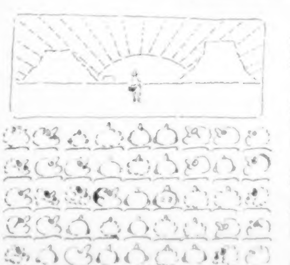
▪ Each of the 10 individual product lines on which GE spent in excess of $1,000,000 in ad dollars in 1978 were in the consumer products and services sector.

These included GE color television sets, $4,859,500; GE food processors, $3,708,400; GE dishwashers, $2,209,400; GE microwave ranges, $2,043,800; GE washers, $1,758,800; GE microwave ovens, $1,712,400; GE home light bulbs, $1,538,800; GE refrigerator-freezers, $1,442,700; GE home air conditioning and heating systems, $1,179,400, and GE portable hair dryers, $1,012,600.

The company also spent $4,987,300 on multiproduct advertising, a portion of which included rebates on about 30 small appliance products from the consumer sector.

New consumer products introduced during 1978 included the Widescreen 1000 Home Television Theater, the Spacemaker micro-

When America goes to the movies your sponsored film will be there.



Americans are going out to the movies again. By the hundreds of millions. And this huge audience brings with it very desirable upscale demographics.

That's a tremendous opportunity for your company's sponsored films. Because more and more movie theatres are turning to Modern for interesting shorts to fill out their screenings.

As the world's largest distributor of free-loan motion pictures, we've got what it takes. Through our on-line computer system, we're currently scheduling shorts into over 6,000 theatres, resulting in about 500,000 showings a year.

We know how to help you, too. Our research surveys, for example, answer many important questions: How long should the short be? What are the most wanted subjects? Do theatres want lobby posters?

So be there when America goes to the movies. Ask Modern all about it by calling one of the offices below.

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(202) 293-1222
Robert A. Kelley, V.P.

Chicago
(312) 337-3252
Edwin L. Swanson, V.P.

Los Angeles
(213) 462-2202
Jack Whalen, Mgr.

Toronto, Canada
(416) 498-7290
Lynn Meek, Mgr.

wave oven, Maxi-Miser and Soft White fluorescent lights, a halogen sealed-beam automobile headlamp, the Curl Tamer hair straightener, a new food processor with an attached blender, the His 'n Hers electronic digital clock radio and a digital scale that computes weight electronically.

- Industrial products and components accounted for 20% of total GE revenues and 18% of earnings, with revenues rising to $4.1 billion and net earnings to $223,000,000.

GE held its position in 1978 as the leading supplier of small electronic motors, controls and other components to the air conditioning and appliance industries. New products introduced in 1978 included a computer lighting control system, and limit switches that seal out environmental contaminants.

The power systems sector contributed 17% of total GE revenues and 8% of net earnings, with revenues of $3.5 billion and net earnings of $102,000,000. New products included an automatic meter reading system and a time-of-day watt hour meter for consumers whose electric rates vary by time of day.

Technical systems and materials contributed 22% of total GE revenues and 23% of earnings, with revenues of $4.7 billion and net earnings of $278,000,000. The sector entered the commercial avionics market in 1978 and won a good portion of its revenues from commercial jet engine orders from Delta and American Airlines.

- Natural resources, the sector which is managed by and consists primarily of Utah International Inc., contributed 5% of total GE revenues and 15% of earnings, with revenues of just over $1 billion and earnings of $180,000,000 an 8% decline from 1977's record high.

The remaining 13% of GE's total revenues and 6% of earnings was contributed by the international sector, with revenues of $2.77 billion and net earnings of $78,000,000. The sector works with the other sectors to develop and implement their international business strategies and manages multi-industry foreign manufacturing affiliates. Advertising spending by this sector is included in the worldwide figure reported by GE, but not in the domestic figure.

GE's television business department in 1978 assigned its tv hardware advertising to BBDO, New York, already GE's corporate, lamp and household appliance agency. The $5,000,000 account had been split between Grey Advertising and Lawler, Ballard & Little.

BBDO also picked up the $1,200,000 account of the GE Credit Corp. after GECC terminated a 16-year relationship with Riedl Associates.

- Despite the introduction of the Widescreen 1000 Home Television Theater in 1978, GE did not appreciably increase its advertising budget for color television during the year. Reportedly, the company did not make any money at all in color television.

It proposed a merger with Hitachi Ltd. of Japan in 1978 to strengthen its market position, but the Justice Department squelched the move in November as a violation of antitrust laws.

Advertising for GE's tv line will probably become more visible this fall, due to an approximate 15% budget increase with its new agency, BBDO. The company spent about $4,250,000 in 1978 through Grey Advertising.

Known in the past for its expertise in producing small, portable tv sets, GE is expected to focus its future marketing strategy on the larger tv screen sizes like the Widescreen 1000.

GE continued to maintain its dominance in the $500,000,000 light bulb market in 1978. It fought the introduction of Turtle-Lite, a new long-life bulb from competitor Westinghouse, through a series of magazine ads, and managed to retain about a 65% share of market.

- Following a stated company goal to stress innovation in its appliance lines, which account for about 40% of consumer sector earnings, GE came out with an improved Potscrubber III dishwasher in 1978 that featured 10 patented energy-saving inventions.

A dishwasher duel shaped up between GE (which has about a 22% market share) and Maytag (5%), which both fought to pick up the 18% market share owned by Hobart.

In 1979, GE's major appliance group invited BBDO to contribute to the tv portion of the Potscrubber III campaign on a special assignment basis. Young & Rubicam, however, which developed the tv and print campaign, will continue to promote the dishwasher, which had a 1978 budget in excess of $2,000,000.

Increased housing completions during 1978 and related strong demand for central air conditioning in new homes was a major factor in the sharp earnings improvement GE experienced in its air conditioning and heat pump business.

GE nearly doubled its ad spending for these products in 1978 and its Weathertron heat pump is now the No. 1 brand on the market. GE expects the heat pump business to grow in 1979 and it now has more than a 40% market share of the $500,000,000 business.

- As GE economists predict a flattening of the economy in 1979, the company is looking to increased service businesses as a new growth source. During 1978, GE agreed to buy Cox Broadcasting, one of the largest independent chains of tv and radio stations.

Added to GE's existing broadcast services, the Cox purchase would make GE the third largest in cable tv operations. GE and Cox reached a "definitive agreement" for combining operations in 1979 and completion of the deal awaits corporate and government approval.

after dinner treat.
The Potscrubber II dishwasher.
GENERAL ELECTRIC

More than $2,200,000 was spent to advertise General Electric Co.'s line of dishwashers.

GE and competitor Norelco were among the companies moving into the booming home security market, which traditionally has been served by expensive built-in systems. GE is introducing an ultrasonic alarm called Zonar, which will retail for $69.95 in 1979.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$9,002,600	$8,265,500
Magazines	18,849,100	10,518,700
Spot tv	8,181,400	11,641,700
Network tv	19,084,400	24,248,800
Spot radio	870,700	451,000
Network radio	176,400	1,321,400
Outdoor	129,800	163,200
Total measured	56,294,400	56,610,300
Unmeasured	65,000,000	55,600,000
Estimated total	121,294,400	112,210,300

ADVERTISING & SALES PROMOTION OPERATIONS

MARKETING PERSONNEL

R.E. Pulver, mgr
G.J. Nicastro, media director

Program Operations

R.E. Goodwin Jr., mgr, Atlantic operation
C.H. Biederman, mgr, consumer operations
D.P. Jones, mgr, energy systems operation
R.E. Ingmire, mgr, industrial operation

Supporting Operations

R.O. Stratton, mgr, creative services operation
J.M. McGarry, mgr, resources operation
E.B. Green, mgr, financial & administrative operation
J.T. Hurley, mgr, mkt planning & devel
J.H. Allen, mgr, personnel planning & devel

CONSUMER PRODUCTS & SERVICES SECTOR LIGHTING BUSINESS GROUP

MARKETING PERSONNEL

Lamp Products Dept.

W.D. Rayer, mgr, consumer products adv & sales promo
T.M. Masterson, specialist, household adv & sales promo
C.S. Bird, specialist, photo adv & sales promo
T.J. Kusnirek, specialist, fluorescent adv & sales promo
N.C. Corrigan, specialist, Christmas & automotive adv & sales promo
G.G. Bachelor, specialist, consumer products merchandisers & displays
M.D. Reilly, program mgr, consumer packaging
W.J. Wagner, super, sales promo production
K.E. Mack, specialist, adv

Commercial & Industrial Products Marketing

W.M. Rogers, mgr, adv
R.R. Marvin, mgr, sales promo & planning
W.R. Dottermusch, mgr, catalogs, price schedules & product literature
W.S. Cahill, super, press relations
R.L. Clarke, specialist, distribution & energy adv
J. Hvala, specialist, contractor & user adv
L.S. Horvath, super, technical publications
R.W. Ayers, super, promotional programs
J. Wade, specialist, technical literature
R.W. Hanna, specialist, promotional programs

Advertising Services

D.R. Lowe, mgr
R.W. Wilson, specialist, measurements & media
E.E. Trout, specialist, conventions, exhibits & signs
J.B. Updyke, super, audio/visual communications
W.R. Parsons, super, art dept
D.H. LeMunyon, specialist, packaging graphics
P.A. Zak, production & distribution super
J.D. Ulrich, super, photographic operations

Lamp Components Division

P.A. Wrobleski, mgr, district sales/sales support operations

Overseas Lamp Department

W.R. Worstell, mgr, adv & sales promo

Lighting Systems Department

W.W. Russell, mgr, communications & mkt devel
N.E. Orrok, super, creative services & mkt devel
R.E. Shaw, super, communications & mkt devel
W.S. Harvey, specialist, mkt devel
P.G. Britt, specialist, communications
C.L. Heidner, specialist, lighting education
M.G. Smith, mailing list coordinator

ADVERTISING AGENCIES

BBDO, New York—consumer products, overseas lamp products—Bill Weigold, mgmt super; Bill Hobday, acct super.

Carl Liggett, Cleveland, miniature lamp products—Sidney Arthur, mgmt super; Terrence McGovern, acct super; William Masonis, acct exec.

Meldrum & Fewsmith, Cleveland—commercial & industrial lamp products—James A. Mahoney, group acct super; Roland R. Kracoe, acct super; Mark J. McMullen, acct exec.

Price-McNabb Advertising Agency, Asheville, N.C.—lighting systems dept.

Advertising & Sales Promotion Operations, Vienna, Va.—lighting systems dept.

MAJOR APPLIANCE BUSINESS GROUP

MARKETING PERSONNEL

Contract Sales Division

R.C. Lenn, mgr, merch & adv planning

Marketing Division

W.O. Leftwich Jr., vp & genl mgr
J.R. Andersen, mgr, adv & merch services
H.M. Metzler, R.N. Graham, V. Alcott, mgrs, natl adv
W.E. Hughes, mgr local adv services

Product Service Department

J.R. Matheny, mgr, adv & sales promo

ADVERTISING AGENCIES

Advertising & Sales Promotion Operation, Louisville—product service dept., GE local & contract sales adv.

Young & Rubicam, New York—GE products—Bill Thompson, acct director; Ed Comiskey, mgmt super; William McGorry, acct super; Ronald Walter, Timothy Brenton, Phillip Moloney, acct execs.

HOUSEWARES & AUDIO BUSINESS DIVISION

MARKETING PERSONNEL

Housewares Marketing Department

V.F. Novak, mgr, adv, sales promo & pr
E.F. Miller, mgr, pr
M.D. Hennebry, mgr, adv & sales promo
W.L. Courtney, B.T. Silverstone, specialists, adv & sales promo

Audio Electronics Products Department

N.R. Huey, mgr, adv & sales promo
R.D. Harris, J.R. Nelson, specialists, adv & sales promo
W.A. Fitzgerald, mgr, meetings, shows & exhibits
R.M. McElfresh, mgr, sales training & press relations

ADVERTISING AGENCY

BBDO, New York—audio electronics products dept.—Clark Hine, mgmt super; Philip Cooper, acct super. Housewares mktg dept. Less Lilliston, Bill Yankus, acct supers.

TELEVISION BUSINESS DEPARTMENT

G.E. Segner, mgr, mktg communications
R.C. Gennuso, J. Fesko, specialists, sales promo
R.W. Myers, mgr, product training
R.F. Campbell, mgr, press relations & natl trade adv

Advertising Agencies

General Electric News Bureau, New York.

BBDO, New York.

Lawler Ballard Little Advertising, Norfolk, Va.—Dan Ballard, mgmt rep, creative; Hal Austin, mgmt rep, acct service; Bob Barker, acct exec.

GENERAL ELECTRIC CREDIT CORP.

D.H. Williams, vp, corp mktg
A.J. Sierocki, mgr, corp programs

Advertising Agency

BBDO, New York—John Groesbeck, ad exec.

GENERAL ELECTRIC BROADCASTING CO.

T.H. Walden, program & promo mgr, WRGB/-TV
M. Neff, mgr program/public affairs, WGY/-WGFM radio

GENERAL ELECTRIC CABLEVISION CORP.

P.F. Schonewolf, mgr, mktg

INDUSTRIAL PRODUCTS & COMPONENTS SECTOR

MARKETING PERSONNEL

J.E. Slavin, mgr, product service & mktg admin, appliance control dept
R.J. Kilian, mgr, product service, admin adv & sales promo, appliance motor dept
W.E. Shryock, specialist, adv & sales promo, general purpose motor dept
J.L. Jellison, mgr, mktg rsch & admin, hermetic motor dept
G.H. Shirley, mgr, mktg admin & rsch, specialty motor dept
D.R. Heare, specialist, adv & sales promo, specialty motor dept

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations, Oak Brook, Ill.

Nolan Colburn Advertising, Fort Wayne, Ind.—specialty motor dept.—Karen Dunn, acct super.

Dodge & Associates Advertising, Fort Wayne, Ind.—Thomas Gill, acct super, general purpose motor dept.

ELECTRONIC COMPONENTS BUSINESS DIVISION

R.H. Kimball, mgr, mktg planning & admin, capacitor products dept
H. Buford Barr, mgr, mkt communications, semiconductor products dept
R.J. Dougall, mgr, adv & sales promo, tube products dept

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations, Albany, N.Y.

Keller Crescent Co., Evansville, Ind.—tube products dept.—Dick Wittgen, acct super.

Food Service Equipment Business Department

R.P. Giarcherio, mgr, mktg communications trade show & technical publications

ADVERTISING AGENCY

Advertising & Sales Promotion Operations, Oak Brook, Ill.

Industrial Heating Business Department

C.R. Knowles, mgr mkt communications

ADVERTISING AGENCY

Advertising & Sales Promotion Operations, Oak Brook, Ill.

Specialty Transformer Business Department

G.D. Dykhuizen, mgr, adv & sales promo

ADVERTISING AGENCY

Advertising & Sales Promotion Operations, Oak Brook, Ill.

INDUSTRIAL PRODUCTS GROUP CONTRACTOR EQUIPMENT BUSINESS DIVISION

Circuit Protective Devices Department

R. Michael Hardison, mgr, mkt communications
John W. Dimmerling, specialist, distributor/-OEM intl communications
John L. Nessler, specialist, technical publications
John D. Romo, specialist, graphics

Distribution Assemblies Department

W.R. Abell, mgr, mktg communications
J.D. Bradt, specialist, mktg communications

General Purpose Control Department

W.H. Burge, mgr, mktg communications
R. McIntire, specialist, sales promo
W.W. Kessinger, audio/visual
J.F. Laffey, specialist, publications

Industrial Control Department

A.V. Brancati, mgr, adv & sales promo

Instrument Products Operation

Donald E. Harnois, mgr, adv & sales promo
Frank A. Bond, specialist, promo services

Midwest Electric Products

Philip H. Scott, mgr mkt

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations—industrial control dept, instrument products, distribution assemblies dept.

Horton, Church & Goff, Providence, R.I.—circuit protective devices—T. Brenton Bullock, acct exec.

Frizzell Advertising, Minneapolis—Midwest Electric Products.

Motor & Drives Business Division

J.S. Peagler, mgr, mktg communications, direct current motor & generator dept
R.L. Puder, mgr, mktg communications, drive systems dept
W.A. Haase, mgr, mktg communications, large motor & generator dept
J.R. Stoutland, mgr, mktg communications, small AC motor dept

Wiring Device Business Department

R.J. Schneider, mgr, mktg communications
K.J. Damuth, specialist, consumer adv & merch
F.A. Costanzo, specialist, construction & industrial adv & promo

Wire & Cable Business Department

W.J. McCormick, mgr, mktg communications
J. Woyciesjes, specialist, mktg communications

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations.

Horton, Church & Goff, Providence, R.I.—wiring device business dept—T. Brenton Bullock, acct exec.

Apparatus Service Business Division

Wren L. Aber, mgr, communications programs
Stephen P. Adams, mgr, regional communications programs
Don F. LaHart, mgr devel communications
Angelina Pomykai, specialist, communications support

ADVERTISING AGENCIES

Advertising Sales Promotion Operations—Richard J. Huether, programs mgr.

R.T. Blass Agency, Chatham, N.Y.

Courtney/Wilson Advertising, Woodland Hills, Cal.

General Electric Supply Co. Business Division

R.J. Klau, mgr, mktg communications
W.A. Sager, mgr, sales promo

Transportation Systems Business Division

Russell L. Bowersox, mgr, mktg communications, transportation equipment products
John F. McDermott, mgr, mktg communications, locomotive operations

Apparatus Distribution Sales Division

Gerald C. Sheahan, mgr sales programs

Industrial Sales Division

Gerald C. Sheahan, mgr sales programs

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations.

Marcom Agency, Hartford, Conn.

Knudsen-Moore, Norwalk, Conn.

Dix & Eaton, Erie, Pa.

INTERNATIONAL SECTOR

MARKETING PERSONNEL

Export Sales & Services Division

W.J. Donlin, mgr, communications operations
B.W. Jairath, mgr, product distribution
A.M. Campbell, communications specialist
M.A. Gatzemeyer, communications specialist

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations, Albany, N.Y.

S.R. Kolly Associates, Nanticoke, Pa.

Hanley, Schubert & Matzell, Scotia, N.Y.

International Communications Operation

Marvin H. Stuart, mgr communications programs

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MARKETING PROFILES

CANADIAN APPLIANCE MFG CO.

S.J. Blake, mgr, mkt services, corp headquarters

CANADIAN GENERAL ELECTRIC CO.
Public Affairs

G.C. Gray, specialist, creative services

Apparatus & Heavy Machinery Division

T.L. Lucy, mgr, adv & sales promo

Consumer & Construction Products Division

Fern Marohnic, mgr, adv & sales promo, construction products
Murray D. Locke, mgr, adv coordination, housewares
R.W. McDonnell, mgr, adv & sales promo, lamps
A.S Best, specialist, adv & sales promo, communications systems
J.Y Seabrook, mgr, human resources & mkt planning, information services mktg section
G.J. Heaton, mgr, adv & sales promo, GES-CAN & electronic components

ADVERTISING AGENCY

MacLauren Advertising Co., Toronto—Robin Milward, group super; Mike Komisar, acct super.

POWER SYSTEMS SECTOR

MARKETING PERSONNEL

Robert H. Jones, mgr, mktg & communications support, power systems sector

Nuclear Energy Group

H.D. Hexamer, mgr, communications
J.S. Barber, mgr, promo & adv programs

ADVERTISING AGENCY

Advertising & Sales Promotion Operations, Campbell, Cal.

Turbine Business Group
Gas Turbine Division

Salvin J. Cognetti, mgr, mktg communications
M.T. McCullough, senior specialist, mktg communications
Sandra Zielinski, admin clerk, mktg communications

Industrial & Marine Steam Turbine Division

R.W. Syvari, technical illustrator, operational planning, mechanical drive turbine
F.G. Folsom Jr., mgr, mktg communications, medium steam turbine mktg

Large Steam Turbine-Generator Division

J.A. Gautie, mgr, mktg communications
J.H. Barry, J.A. Buckley, P.S. Ducharme, specialists, mktg communications
A.R. Fairbanks, mgr, contracts & mktg admin, engineered cast products

ADVERTISING AGENCY

Advertising & Sales Promotion Operations

Large Transformer Business Division

Harlan Williams, mgr product planning, mktg communications, mkt rsch & admin—power transformers
Sandra Blackmon, specialist, mkt communications—medium transformers
T.J. McLaren, mgr, adv & sales promo, meter business

ADVERTISING AGENCY

Advertising & Sales Promotion Operations.

Switchgear Business Department

W.L. Teeple, mgr, mktg communications-protective relays; switchgear equipment; high voltage power circuit breakers; HVDC products

ADVERTISING AGENCY

Advertising & Sales Promotion Operations.

Distribution Transformer Business Department

Fred H. Larkin, mgr, mktg communications
C.R. Bahn, senior specialist, mktg communications

ADVERTISING AGENCIES

Barringer & Associates, Hickory, N.C.—Jim Rudolph, Russ McElwee, Boyce Sigmon, acct execs.

Advertising & Sales Promotion Operations, Vienna, Va.

Electric Utility Sales Division

J.F. Wilfore, specialist, mktg communications

ADVERTISING AGENCY

Advertising & Sales Promotion Operations, Albany, N.Y.

Installation & Service Engineering Business Division

J.P. Conroy, mgr, communications support
J.C. Berrett, mgr, mktg communications programs
D.T. Hunn, specialist, mktg communications
P.J. Ochal, specialist, communications support
R.G. Vitch, super, technical editing
V.F. Decker, N.L. Amyot, technical editors
D.G. Simmons, specialist, production
F.C. Pelletier, super, production

ADVERTISING AGENCY

Advertising & Sales Promotion Operations, Albany, N.Y.

TECHNICAL SYSTEMS & MATERIALS SECTOR

MARKETING PERSONNEL
Aerospace Business Group
Aircraft Equipment Division

D.N. Harper, mgr, division communications
T.R. Draper, specialist, product information, aerospace electronic systems
D.A. Hogan, specialist, product information, aerospace control systems
F.P. Chapin Jr., mgr, business planning, aerospace instruments & electrical systems
C.F. Bushey, mgr, product information, armament systems

Electronic Systems Products Division

D.F. Crooke, mgr, program information, Syracuse Operations
J.E. Sammons, mgr, product information, ordnance systems
T.H. Spencer, mgr, product information, electronics laboratory

Aerospace Group Strategic Planning Programs Operations

L.R. Cohen, mgr, business communications & practices
David Gossman, mgr, employe relations & support services, TEMPO

Re-entry and Environmental Systems Division

William R. Lovely Jr., mgr, product information

Space Division

G.W. Van Citters, mgr, div information services

ADVERTISING AGENCY

Advertising & Sales Promotion Operations

Aircraft Engine Group

L.A. Dalquest, mgr, group mktg communications
N.E. Kenyon, mgr, communications programs
J.H. Arlinghaus, mgr, creative services
B.F. Gregoire, mgr, programs
H.J. McGonagle, mgr, audio/visual customer relations
R.N. Salvucci, mgr, press relations
J.T. Reilly, mgr, group support
R.E. Wheeler, mgr, group special events
R.C. Brown, mgr, Evendale communications programs
J.R. Bacheiler, military programs
W.E. Brown, mgr, communications graphics
R.E. Falk, press relations (Evendale)
S.R. Fite, mgr, Evendale audio/visual
R.J. Heritz, commercial programs
D.I. McGinnis, mgr, Evendale customer relations
B.C. Smith, mgr, Evendale customer relations

ADVERTISING AGENCIES

Doremus & Co., Boston—CF6 commercial engines—Garrett J. Sheahan, acct super

Advertising & Sales Promotion Operations—general aviation, military & industrial engines—R.L. Radford, program mgr.

Engineered Materials Group

Steven A. Lyons, mgr, communications

Metallurgical Business Division
Carboloy Systems Department

J.A. Moir, mgr, mktg communications
Darrell E. Horney, senior specialist, mkt communications
Estelle Loleas, specialist, mkt communications

Specialty Materials Department

F.A. Gray, mgr, mktg communications & training
E.B. Hamilton, specialist, communications & training
K.R. Oberle, specialist, audio/visual programs
R.E. McClure, specialist, customer programs/-services
P.L. Franzen, mgr, mkt programs, mining products dept

ADVERTISING AGENCIES

French Sullivan, Troy, Mich— Carboloy systems dept—Richard J. Baker, acct super; Jerry Fireman, pr mgr.

Leo J. Brennan Advertising, Troy, Mich—mining products dept—Leo Brennan, David Morningstar, acct supers.

Hammond Farrell, New York—new specialty materials dept—Hugh Farrell, mgmt super; Jim Carter, acct super; Gerry Treich, pr acct super.

Plastics Business Division

Gregg P. Bronk, mgr, mktg communications
Raymond J. Whelihan, mgr, adv & sales promo, sheet products
A.E. Lindholm, mgr, adv & sales promo, Lexan products
Larry Strattner, mgr, adv & sales promo, Valox, Genal & structural foam products
Dennis Mulligan, mgr, adv & sales promo, NORYL products

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations, Schenectady, N.Y.

Ross Roy NY/Compton, New York—Lawrence W. Mahar, mgmt super; Thomas J. Keller, acct super.

Quinn & Johnson, Boston—sheet products—Eustis Walcott, acct super; Connie Corcoran, acct exec

Battery Business Department

Ronald J. Vilt, mgr, mktg communications & admin
R.W. Prince, specialist, merch

ADVERTISING AGENCY

Franklin Roberts Carlyle, Gainsville, Fla.—Paul Gagliano, acct exec.

Laminated & Insulating Materials Business Department

T.L. Becker, mgr, planning, laminated & insulating materials
Robert T. Currier, mgr, inside sales & mktg communications, laminated materials
Ronald K. Bridgers, mktg mgr, insulating materials
Thomas N. Traeger, mgr mkt communications, insulating materials

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations, Oak Brook, Ill.—laminated & insulating materials.

Marquart & Roche, Stamford, Conn.—adv & sales promo, insulating materials.

Silicone Products Business Department

Robert J. Powell, specialist, mktg communications
Janice K. Fusco, publicity coordinator, mktg communications
R.A. Mills, specialist, mktg communications
R.F. Putnam, specialist, mktg communications

ADVERTISING AGENCIES

Ross Roy NY/Compton, New York—industrial accounts—Lawrence W. Mahar, mgmt super; Raymond F. Stokes, acct exec.

Quinn & Johnson, Boston—Consumer accounts—Edward Ruckle, acct super; Douglas Hotchkiss, acct exec.

General Electric Information Services Co.

R.E. Ryan, mgr, mktg communications
R.C. Bailey, C. Bryars, J.M. Thyken, project mgrs

ADVERTISING AGENCIES

Advertising & Sales Promotion Operations—direct mail programs, sales promotion.

The Adams Group, Silver Spring, Md.—manufacturing program.

Morgan-Gurchette Associates, Alexandria, Va.—sales promo & design.

Ogilvy & Mather/2, New York.

Medical Systems Business Divison

Richard J. Stevens, mgr, mktg & sales support
Robert J. Filip, mgr, mktg communications
John T. La Rocco, mgr, conventions & exhibits
Richard L. Toth, mgr, mktg communication programs
Jeffrey B. Smale, mgr, SSO communication program

ADVERTISING AGENCY

The Brady Co., Milwaukee, Wis.— John Liebenstein, acct super; Dale Mahal, acct exec.

Mobile Communications Business Division

John A. Lightner, mgr, mkt communications
Edmund B. Martin, adv & sales promo mgr
James J. Carrington, mkt communications specialist
Harry B. Smith, adv & sales promo specialist
Gary H. Williams, sales promo specialist

Data Communications Products Business Department

C.F. Rockwell, mgr, adv sales promo

ADVERTISING AGENCY

Advertising & Sales Promotion Operations, Vienna, Va.

General Foods Corp.

	1978	1977
Sales†	$5,472,500,000	$5,376,200,000
Earnings†...	232,100,000	169,500,000
Advertising*	340,000,000	300,000,000

†For the fiscal years ended April 1, 1979 and 1978
***AA estimate**

General Foods, White Plains, N.Y., the 3rd leading national advertiser, boosted advertising 13% to an estimated $340,000,000 in 1978, a year when it resumed balanced growth between two major divisions, grocery coffee and food products.

Worldwide, GF spent $372,770,000 in advertising in its fiscal year ended April 1, up 11% over the previous year. GF sales worldwide continued to grow, to $5.5 billion, up 1.8% over the previous fiscal year. Earnings increased to $232,100,000, up 37%.

As it registered its best year ever in fiscal '79, GF stated that its recovery in the grocery coffee market was largely responsible for its profit growth.

Packaged convenience foods, 48% of GF's total sales, also scored well, but GF found that inflation was cutting into some of its food-away-from-home business and other U.S. grocery items.

▪ GF's products are classified in three segments: Packaged convenience foods, which recorded sales of $2.6 billion in 1978, up 5.6% from $2.47 billion the year before; food-away-from-home, which showed sales of $737,865,000, a 2.6% decline, due chiefly to lower selling prices for food service coffee and grocery coffee, which brought in $2.1 billion, a 1.1% decline.

GF again gave heavy measured advertising support to its big sellers, Jell-O gelatin dessert, at $12,000,000; Kool-Aid powdered soft drink mix, $19,000,000, and a combined coffee advertising total of $48,356,200, almost half in support of the Maxwell House line.

Until recently, Maxwell House regular coffee led major rival Procter & Gamble's Folger's. But toward the end of 1978, for the first time, Folger's took the lead in ground roast coffee sales with 26.5% of the market, compared with Maxwell House's 22.3%.

In the regular coffee market, Maxwell House has a 22.3% share; Sanka, 2%; Yuban, 2%; Max-Pax & Brim, 3.5%, and Mellow Roast, 1.8%. GF still leads in the instant coffee market with its Maxwell House at 24%; Maxim, 4%; Sanka, 10%; Yuban, 1.3%; freeze-dried Sanka, 2.5%; Brim, 3%, and Mellow Roast, 3.5%.

▪ In light of the fierce coffee competition between GF and P&G resulting from P&G's invasion of GF's East Coast market, the Federal Trade Commission hit GF with a suit alleging unfair competition in its coffee advertising.

The basis of the FTC suit involved stepped up competition between Folger's and Maxwell House. GF is accused of using predatory pricing and heavy ad and promotion budgets to maintain monopoly power in the Northeast. The case is still pending.

Mellow Roast coffee went into national distribution in 1978, backed by an estimated $9,010,500 for the Mellow Roast instant and regular advertising. GF also entered the economical ground coffee sweepstakes with Master Blend. The new product was tested in Dallas, Detroit, Houston, Buffalo, New York and Charlotte, N.C.

There were signs Mellow Roast was not doing as well as anticipated and therefore the development of Master Blend, thought to be the answer to P&G's Folger's Flaked coffee, also an economy ground.

Other new products introduced were Mocafa, an instant coffee with a chocolate taste; ground roasted Postum, a caffeine-free grain beverage, and Irish Mocha Mint, a new flavored coffee.

▪ GF continued to enjoy success in the powdered soft drink market. In '78, GF went into test markets with Shiver, a presweetened drink mix in chocolate and strawberry flavors. Advertising support was $1,000,000.

GF further expanded its soft drink line by test marketing Crystal Falls, a vitamin and mineral fortified drink. Spending last year was $805,000.

Kool-Aid soft drink advertising exceeded $19,000,000 in '78 with funds helping market new 12-oz. cans for the drink. TV and print ads carried the slogan, "Things are so much summer with Kool-Aid in your day." Kool-Aid is considering marketing two new powdered flavors; grape and cherry, in 15-oz. canisters.

While Kool-Aid is the leading soft drink mix with a 45% share unsweetened and presweetened, it is followed by GF's Country Time, the nation's leading lemonade mix, holding a 9.5% share of the market total.

Country Time is ahead of Hawaiian Punch and Wylers (all flavors) with their 9.2% and 8.8%, respectively. GF expanded the Country Time line by adding ready-to-drink lemonade drink in cans, frozen concentrate, unsweetened lemonade mix, iced tea and apple cider versions. The Country Time ad budget was $7,000,000 last year.

Tang instant breakfast drink first marketed 20 years ago, continued to be successful. GF put th drink in decorator jars, with cents off coupon ad support. Advertising spending for Tang was $10,182,900 according to Leading National Advertisers Inc.

GF is making headway toward its goal of a carbonated powdered soft drink and believes it will soon have a product in that area. GF has already entered the carbonated foods field with its highly successful candies, Pop Rocks and Cosmic Candy.

▪ The company also tested a carbonated gum product, Increda Bubble Bubble Gum, in a small market in the Northwest and changed the name of Space Dust to Cosmic Candy to disassociate the product from the illegal drug angel dust. Ads for the carbonated candy call it "unique, fun and exciting."

Citing stiff competition within the Beverage and breakfast foods market, GF expressed pleasure with consumer acceptance of C.W. Post family style cereal, which entered national distribution. Log Cabin pancake and waffle mix was a new product brought out as a companion to Log Cabin syrup. The ad budget was $4,405,400. Combined cereal advertising was a reported $31,591,700.

GF, the cold cereal market's third leading manufacturer, registered a total 16% share in dollar sales, with leading brands Post Raisin Bran netting a 3.5% share; Post Grape Nuts, 2.4%, and Post Sugar Crisps, 2%.

▪ In the packaged desserts area, GF extended the Jell-O brand line to include apricot flavor gelatin and butter pecan instant pudding & pie filling. Jell-O ad spending reacned an LNA-measured $17,937,200 with $14,078,200 of it in network tv.

GF spent $12,126,000 on its Jell-O gelatin dessert, $1,580,000 on Jell-O instant pudding & pie filling and $5,811,200 for Jell-O pudding & pie filling. Cool Whip frozen whipped topping continued its success with an estimated ad total of $8,286,300.

The packaged convenience foods division found itself pressured by the inflationary grocery market situation. While net sales rose 5.6%, earnings declined 10.3% as selling price increases were unable to offset lower volumes and company expenditures.

GF's main meal brands—in particular Shake 'n Bake, with measured ad support of $15,042,600; Stove Top Stuffing, $10,796,900, and Good Seasons salad dressing, $6,795,100—all performed well in sales.

New items tested were Good Seasons French and buttermilk farm style salad dressing mixes, four new flavors of Shake 'n Bake sauces and, in limited areas, Birds Eye International recipe rice products.

The 1977 restructuring of the Birds Eye line of frozen food is credited with reducing operating costs and improving earnings. The Birds Eye line of Americana recipe vegetables, backed by $2,757,200 in measured advertising last year, went national in '77 and is reported by the company to be doing well.

GF went national last year with Oven Fry coating mix, a product that allows the preparation of fried chicken in the oven with the use of only a little oil. Print and tv ads announced, "Tastes fried because it is fried." Ad support was estimated at $693,000.

In the pet foods division, GF backed its Gaines Full Course dry dog food wtih real meat with the message, "400% better taste than the leading dry." The ad noted the dry entry dog food product had "moist chunks made with real meat." Total measured advertising for the Gaines dog food line was $19,244,900.

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50. Greensboro-High Point-W.S. 4,298,350
Source: Sales Management Survey of Buying Power, 1977
THE GEORGIA GROUP
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KNIGHT RIDDER Advertising Sales

MARKETING PROFILES

GF's Cycle is in sixth place in the canned dog food product line, in terms of annual retail sales. Cycle canned dog food approached $45,000,000 in retail sales, up $5,000,000 from 1977.

In dry dog food, the company takes 8th and 13th places, respectively, for its Cycle dry and Gaines Meal.

▪ In the moist dog food area, GF has three entries, Top Choice, second with an estimated $80,000,000 in sales; Gainesburgers, third, with $70,000,000; Gaines Variety, sixth, at $22,000,000, and Prime/Puppy Choice, seventh, at $17,000,000. GF's Gaines Biscuits & Bits is believed to rank fifth in the snack dog food category.

Over-all GF stands third behind Ralston Purina and Carnation in the pet food market, holding an estimated 11% share. The company considers pet food an area of growth and is seeking better representation in the dry market area.

Under the company's food service products division, GF's Burger Chef continues to operate at a loss, but the company remains optimistic about its growth potential. Net sales declined 2.6% with a 7.8% earnings increase mainly from the company's Canadian restaurants Crock & Block, the White Spot chain, Ernie's Fine Food and the 1867 restaurants.

▪ Burger Chef ranks tenth among fast-food chains with an estimated 2.2% market share. The renovations were announced through an ad campaign almost wholly placed in spot tv. Ad expenditures were measured at $4,547,500 in spot tv and $48,000 outdoor.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 8,240,900	$ 6,271,300
Magazines	36,234,900	29,026,800
Spot tv	77,207,700	71,987,700
Network tv	169,427,900	143,312,800
Spot radio	1,126,400	1,081,000
Network radio	619,900	833,800
Outdoor	155,800	203,700
Total measured	293,013,500	252,717,100
Unmeasured	46,986,500	47,282,900
Estimated total	340,000,000	300,000,000

MARKETING PERSONNEL

James L. Ferguson, chairman/ceo
Ross Barzelay, president
Richard Laster, corp exec vp, president-rsch, devel & logistics
R. P. Bauman, exec vp, president-GF intl operations
D. J. Keller, group vp, grocery & pet foods
P. L. Smith, group vp, coffee & food service
L. E. Shepherd, vp, corp sales
R. E. Haynes, creative services director
D. K. Braun, media services director
D. E. Harrington, promo services director

ADVERTISING AGENCIES

Benton & Bowles, New York—grocery development (Pop Rocks, Cosmic Candy)—John L. Taylor, group super; John Boyd, mgmt super; Al Magnane, acct super; Judy Myers, asst acct exec; Genevieve Ogsbury, acct exec.

Ogilvy & Mather, New York—grocery devel, trade relations—Steve Humphrey, senior vp, mgmt super; Stephanie Cosgrove, mgmt super.

Young & Rubicam, New York—corp mktg services—Lawrence Shapiro, group director, Nicholas Rudd, mgmt super; John Foote, acct super. Corp promo services: Ace Dalton, mgmt super; Joe Holmes, acct super; George Russell, acct exec.

MAXWELL HOUSE DIVISION

MARKETING PERSONNEL

R. L. Seelert, genl mgr
J. W. Johnson, strategic planning & mktg services mgr
W. H. Korab, mgr, established categories
R. J. Pizzuti, cateogry mgr, segmented brands
B. B. Bramen, category mgr, Maxwell House brands
J. P. Morrissy, business devel mgr, new products
E. D. Thibeault, franchise sales mgr, eastern sales region
L. A. Nelson, natl sales mgr

ADVERTISING AGENCIES

Young & Rubicam, New York—Sanka—Charles Alexander, mgmt super; John Foote, acct super; Duncan Pollock, acct exec; Sean Healey, asst acct exec. GF Intl Coffees—George Guimaraes, mgmt super; Anne Zopfi, acct super; Scott Mason, acct exec; Justin Parks, asst acct exec.

Grey Advertising, New York—Mellow Roast, Yuban—Hunter Yager, mgmt rep; Anthony Thurston, mgmt super.

Ogilvy & Mather, New York—Maxwell House, Maxim, Max-Pax—Steve Humphrey, senior-vp, mgmt super; Ed Ogiba, vp-mgmt super.

Benton & Bowles, New York—Brim—John L. Taylor, group super; John Boyd, mgmt super; Ted Donahue, acct super; Carolyn Jones, acct exec; David Doyle, asst acct exec.

FOOD PRODUCTS DIVISION

MARKETING PERSONNEL

W. F. Dordelman, corp vp, div president
J. S. Swartley, main meal strategic business unit mgr
W. H. Andersen, natl sales mgr
I. Peter Rosow, mgr, desserts strategic business unit
E. R. Fencl, business unit mgr, frozen agriculture products
D. B. Torgersen, mktg mgr, frozen agriculture products

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Shake 'N Bake, Good Season, Open Pit—Steve Humphrey, mgmt super, senior vp; Karen Green, vp, mgmt super.

Grey Advertising, New York—Stove Top, Minute Rice, Oven Fry, Baker's, Certo, Sure-Jell, D-Zerta, Dream Whip—Daniel Dolgins, Hunter Yager, mgmt reps; Jack Frantz, Jerry Zaret, Steven Dammers, mgmt supers.

Benton & Bowles, New York—Cool Whip, Cool Whip pies—John L. Taylor, group super; John Boyd, mgmt super; Pat Doody, acct super; Tom Cook, Paul Fleming, acct execs; Frank Gaines, Robin Jenkins, asst acct execs.

Young & Rubicam, New York—Birds Eye agricultural business unit, Birds Eye vegetables—Nicholas Rudd, mgmt super; Jerome Shereshewsky, acct super; Elizabeth Donovan, John Kellogg, acct execs. Jell-O gelatin—Mathew Crisci, mgmt super; David Howell, acct super; Tim Pollak, acct exec; Mark Young, Cathy McCarthy, asst acct execs. Jell-O Pudding Pops—Michael Feldman, acct super; Jordan Stanley, acct exec. Jell-O Puddings—Kenneth Robison, acct exec; Brenda Bonhomme, asst acct exec.

BEVERAGE & BREAKFAST FOODS DIVISION

MARKETING PERSONNEL

J. M. Keenan, corp vp, div president
S. E. Morris, beverages strategic business unit mgr
A. E. Wamsley, natl sales mgr
A. A. Aragona, breakfast foods strategic business unit mgr

ADVERTISING AGENCIES

Young & Rubicam, New York—Tang, Awake frozen orange concentrate, Instant Postum cereal beverage, Instant Postum coffee flavor cereal beverage, Log Cabin syrups—George Guimaraes, mgmt super; Mitchell Kurz, Fernan Montero, acct supers; Barbara Jack, Peter Orrick, Jan Starr, acct execs; Frank Vuono, asst acct exec.

Benton & Bowles, New York—Honeycomb, Alpha Bits, Excello, Grape Nuts & other adult cereals—John L. Taylor, group super; Joe Carlucci, Richard Hoppie, mgmt supers; Gene Fitzgerald, Al Magnane, acct supers; Joan Bennett, Trish Tidwell, Rosemary Frazier, acct execs; Chip Novick, Ross Cooper, Andy Acker, Lorraine Miller, asst acct execs.

Grey Advertising, New York—Kool-Aid, Post Raisin Bran, Post Bran Flakes, Post Toasties, C. W. Post—Daniel Dolgins, Richard O'Brien, mgmt reps; Thomas Aydelotte, Malcolm Mace, mgmt supers.

Ogilvy & Mather, New York—Country Time, Sugar Crisp, Pebbles, Crystal Falls—Steve Humphrey, senior vp, mgmt super; Ed Vick, deputy mgmt super.

PET FOODS DIVISION

MARKETING PERSONNEL

E. J. Fuhrman, corp vp, div president
G. W. Cook, natl sales mgr
R. C. Cox, operations mgr

ADVERTISING AGENCIES

Grey Advertising, New York—Cycle—Daniel Dolgins, Richard O'Brien, mgmt reps; Thomas Aydelotte, mgmt super.

Young & Rubicam, New York—Gainesburgers—David Cramoy, mgmt super; James Hood, acct super; Eric Waldman, acct exec; Arlene Eagle, ast acct exec. Puppy Choice/Prime Variety—James Hood, acct super; Glen Gilbert, acct exec; Genevieve Clonan, asst acct exec. Top Choice—Lina Patston, acct super; Andrew Sereysky, acct exec; Francis Kelly, asst acct exec.

Benton & Bowles, New York—Gravy Train, Biscuits & Bits—John L. Taylor, group super; John Boyd, mgmt super; Pat Donahue, acct super; Serge Prengel, acct exec; William Smith, asst acct exec.

Ogilvy & Mather, New York—Gaines Meal—Steve Humphrey, senior vp, mgmt super; Karen Green, vp, mgmt super.

FOOD SERVICE PRODUCTS DIVISION

MARKETING PERSONNEL

Kenneth E. Fulton, corp vp, div president
E. S. Caso, vp, mktg devel
T. G. Hughes, vp, operations/distribution
G. C. Sternad, natl sales mgr

ADVERTISING AGENCIES

Ketchum, MacLeod & Grove, New York—James Scowcroft, senior vp, director, acct services; Karl Maier, acct super; Wilfred Adkins, acct exec; Diana Lyne, asst acct exec.

Young & Rubicam, New York—Larry Shapiro, group director; Fred Baxter, mgmt super; Joe Holmes, acct super; Nicholas Becce, Charles Windsor, acct execs.

GF INTERNATIONAL

MARKETING PERSONNEL

James Stone, corp vp, president, GF Pacific operations
Raymond B. Rudy, group corp vp, intl business devel
Robert S. Hurlbut, corp vp, president GF Ltd. (Canada)
James H. Whitcomb, corp vp, president, GF Latin American operations
James C. Tappan, corp vp, president, GF Europe operations

BURGER CHEF SYSTEMS

MARKETING PERSONNEL

T. A. Collins, president
J. L. Cunningham, vp, western operations
J. P. Loser, vp, mktg
J. E. Martin, vp, eastern operations

ADVERTISING AGENCIES

Ogilvy & Mather, Chicago—Paul Pass, mgmt super; Bob Carleton, acct super.

General Mills

	1978	1977
Sales	$3,745,000,000†	$3,243,000,000
Earnings	147,000,000†	128,800,000
Advertising*	170,000,000	160,500,000

†Fiscal year ended May 27, 1979
*AA estimate

General Mills, Minneapolis, the 14th largest national advertiser, boosted ad spending about 6% in 1978 to an estimated $170,000,000. For the fiscal year ended May 27, 1979, the company reported total ad spending of $189,000,000.

Sales in fiscal 1979 increased 15.5% to $3,745,000,000 and earnings were up 14.1% to $147,000,000.

Although 1978 was a flat year for ready-to-eat cereals, dollar volume was up 7% over the previous year. Presweetened cereal sales declined modestly, perhaps due in part to consumer concern over the nutritional value of the presweetend children's cereals.

The Federal Trade Commission has been holding hearings to consider a possible ban on advertising of sugared cereal for children. The FTC has also been investigating General Mills and other cereal manufacturers with an eye to calling for divestiture of certain holdings.

▪ One of the more successful newcomers to the Big G breakfast products operation is Golden Grahams. The cereal captured 1.3% of the cold cereal market in 1978 after gaining a 1% share in 1977. Measured ad spending for the bite-size cereal increased to $5,990,000 as the cereal reached full national distribution.

Cheerios kept a solid lock on its No. 1 position as the nation's leading cold cereal with a 6.1% share of the total dollar market and a 5.8% share of the pound volume market. General Mills slightly decreased Cheerios' ad budget in 1978.

A new variety of Cheerios, Honey Nut, went national in mid-1979. Lucky Charms presweetened cereal got a boost from a promotion of Star Wars toys in conjunction with the company's Kenner Products division.

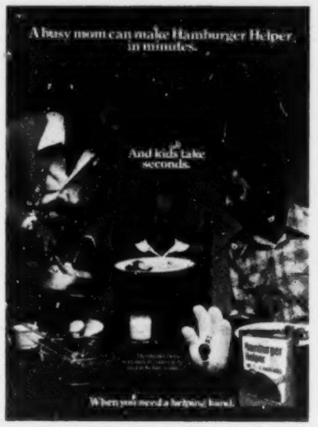
The Betty Crocker line of cake mixes continued to receive heavy advertising support in 1978. Facing increased competition from Pillsbury Co. in the area of cake and brownie mixes, General Mills increased its ad spending for the Betty Crocker dessert line.

The measured ad spending for the 18-flavor line of Super Moist cake mixes exceeded early estimates, reaching $6,247,000 in 1978.

▪ Gold Medal flour sales volume fell slightly as the over-all market for flour dropped 5% in 1978. But Gold Medal continued as the leader in the $350,000,000 flour market.

Bisquick baking mix continued as the leader in its market, with record volume gains over the previous year and measured ad spending totaling $1,924,200, while Bisquick buttermilk baking mix received $897,000.

Consumer demand for convenience foods helped boost sales of Betty Crocker Mug-O-Lunch mix. The three-flavor line of instant hot meals rolled national in August, 1978. Hamburger Helper and Tuna Helper skillet dinners increased sales in 1978 after the company shifted the product image from an economy item to a convenience food


A busy mom can make Hamburger Helper in minutes.
And kids take seconds.
When you need a helping hand.

Hamburger Helper saw increased sales in 1978 after General Mills changed the product's image from an economy item to that of a convenience food.

In October, 1977, General Mills completed a deal with the French company Sodima to market and manufacture Yoplait yogurt in the United States. The product, from a Midwest market base, is currently being expanded into West Coast markets.

This move will put Yoplait into about half the United States. General Mills said Yoplait "is doing well in market share—about where we expected it to be at this time."

▪ In General Mills' restaurant operations, Red Lobster Inns of America—a chain of seafood restaurants—led the way with increased sales and earnings. Red Lobster opened nine units in 1978—behind the previous year's 28 openings.

One Red Lobster restaurant closed. Ad spending skyrocketed from $7,217,200 in 1977 to $11,460,000 in 1978.

York Steak Houses, in its first full year after General Mills acquired it in 1977, expanded into more states. Regionally concentrated advertising totaled $339,000.

As in 1977, the crafts, games and toys division of General Mills enjoyed record success. Sales increased 23.8% to $610,000,000 behind a worldwide demand for Kenner's line of Star Wars toys. Parker Brothers, led by Monopoly and other board games, did well.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$3,757,100	$3,690,600
Magazines	16,191,600	15,764,000
Spot tv	51,049,900	44,253,800
Network tv	84,283,200	82,535,000
Network radio	—	876,300
Outdoor	58,500	67,800
Total measured	160,164,300	151,918,500
Unmeasured	9,835,700	8,581,500
Estimated total	170,000,000	160,500,000

MARKETING PERSONNEL

E. Robert Kinney, chairman
H. Brewster Atwater Jr., president
Donald F. Swanson, senior exec vp
Walter R. Barry, group vp-consumer foods
James G. Fifield, group vp-consumer foods
Robert W. Hatch, group vp-specialty retailing, travel
Joe R. Lee, group vp-restaurant operations
Bernard Loomis, group vp-creative products
James R. R[illegible]en, group vp-apparel group
Arthur R. Schulze, group vp-consumer foods
Preston Townley, group vp-consumer foods
Fletcher C. Waller Jr., vp-director mktg services
Robert J. Blake, director-adv services

ADVERTISING AGENCIES

Campbell-Mithun: Minneapolis—Big G division (Buc*Wheats, Golden Grahams, Breakfast Squares, Nature Valley granola cereal and bars); Golden Valley division (potato products); Northstar division (new products).

Dancer Fitzgerald Sample, New York—Big G division (adult and children's cereals); Sperry division (Gold Medal flour); Lord Jeff apparel; Kitchen Harvest lettuce, Yoplait yogurt. San Francisco office—Sperry division (LaPina, Wheathearts, Betty Crocker pancake mix).

Needham, Harper & Steers, Chicago—Betty Crocker division (dessert products); Golden Valley division (Hamburger Helper, Tuna Helper, Bisquick); Northstar division (Bac*Os, new products). New York office—Golden Valley division (Mug-O-Lunch, new products); Northstar division (new products).

D'Arcy-MacManus & Masius, Chicago—Saluto Foods. St. Louis office—Red Lobster Inns, Donruss Co.

Daniel & Charles, New York—Gorton's Corp. (consumer business).

Wattenmaker Advertising, Cleveland—Gorton's Corp. (food service business).

McKinney, Silver & Rockett, Raleigh, N.C.—GoodMark Inc.

Humphrey Browning MacDougall, Boston—Parker Bros., Fundimensions (Lionel trains).

Sive & Associates, Cincinnati—Kenner Products, Fundimensions (Lionel Power Passers).

W.B. Doner & Co., Southfield, Mich.—Fundimensions.

Grey Advertising, New York—Kenner Products (Star Wars line).

AC&R Advertising, New York—Ship'n Shore.

Altman, Stoller, Weiss, New York—Monet Jewelers.

Chester Gore Co., New York—Foot-Joy.

David H. Mann Advertising, New York—Pennsylvania House.

Lloyd Mansfield Co., Buffalo—Kittinger.

Mass Motivators, El Dorado Hills, Cal.—Wallpapers to Go.

Bozell & Jacobs, Minneapolis—General Mills (grocery trade and military sales).

Rafshoon Advertising, Atlanta—Tom's Foods (p.o.p.).

William Cook Advertising, Jacksonville, Fla.—Tom's Foods (supermarket distribution).

General Motors Corp.

	1978	1977
Sales	$63,221,100,000	$54,961,300,000
Earnings	3,508,000,600	3,337,500,000
Advertising	266,346,000	235,346,100

General Motors Corp., Detroit, the 4th largest national advertiser increased 1978 advertising expenditures by 13% to $266,346,000 from $235,346,100 in a year it called one of "extraordinary achievement."

It was the best year ever for giant GM which "outperformed the industry as a whole in almost every category," said chairman Thomas A. Murphy. Dollar sales, profits, and unit sales were records for the third straight year.

Sales came to $63.2 billion up from the previous record of $54.9 billion in 1977. Earnings of $3.5 billion easily topped the 1977 high mark of $3.3 billion.

Vehicle factory sales worldwide were a record 9,482,000 or 5% above the 1977 record. U.S. sales of cars climbed to 5,292,000 from 5,259,000 and truck sales hit 1,586,000 from 1,436,000. GM got 48% of all U.S. car sales, 41% of all trucks and buses for a total of 46% of the vehicle market.

Buick, Oldsmobile, Pontiac and Cadillac divisions set sales records and Chevrolet set one for combined sales of cars and trucks. GMC Truck & Coach also had record truck sales. Chevrolet continued as the best-selling car nameplate.

▪ Timing was the secret sales weapon along with hard selling. With the big car downsized for fuel economy in model 1977, GM shrank its intermediates for model 1978.

After a few stumbles, the intermediates moved well, paving the way for the best-timed cars of recent years—the downsized compact X-bodies which hit the showroom as 1980 models just as a gas crunch started. Even the downsized luxury personal cars gained quick acceptance.

GM's ad expenditures kept pace no matter what yardstick was used. Measured expenditures were $266,346,000 up from $235,346,100. Chairman Murphy told the annual meeting that model year, as distinct from calendar year, outlays were $240,000,000, up from $225,000,000, a hike he characterized as "modest, not very much at all."

The biggest increase was in tv, the largest GM media category. Measured expenditures rose to $132,899,600 from $117,447,800 or by some $15,000,000 with the increase coming solely in network buys. Spot dropped off $1,700,000 or so.

The biggest percentage gain was in spot radio to $20,202,000 from

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MARKETING PROFILES

$15,928,000 with most of the increase from Chevrolet's massive radio push in the fall of 1978. Magazines rose some $12,000,000 to $56,305,300. Newspapers were steady—$46,702,900 compared with $47,504,900.

▪ Chevrolet, as usual, spent the most and sold the most. Ad expenditures were $116,051,100, up just slightly from the year before. Car sales rose to 2,349,781 from 2,280,439, but trucks carried the day, setting a Chevy record with 1,340,259, up from 1,205,882. The combined total was a record 3,690,040 vehicles, compared with 3,486,321 in 1977.

There were soft spots in Chevy sales. The big Chevrolet dropped to 621,140 units from 657,151. Nova, an old compact, fell to 248,214 units from 312,135 and Monte Carlo, a downsized specialty intermediate, lost sales as well as weight—355,058 units to 370,825. Malibu, the companion intermediate, gained sales to 374,124 from 296,193.

The Chevette and Monza subcompacts got a lot of special attention and sales responded. Chevette rose to 247,088 units from 196,218 and Monza climbed to 158,127 from 157,226.

▪ Malibu got star billing as the 1978 wars opened in the fall of 1977. It and Monte Carlo got 30% of the introductory ad dollars. The old "See the U.S.A. in your Chevrolet" tune was revived with "See what's new today in a Chevrolet."

By December, GM and Chevy saw the new intermediates weren't making the anticipated sales splash. The result was GM kept the intro campaigns going into the new year.

The pitch was switched from appearance to product features but the real culprit was a muddle in the mid-size market. Distinctions between compacts and intermediates became blurred—the GM intermediates were as big as its own compacts but smaller than other companies compacts and other intermediates were bigger than GM's full-size cars.

Malibu sales dropped more than 10% and Monte Carlo was off 9%. "This has been a learning period for consumers," said Thomas A. Staudt, marketing director who in early 1979 was to defect to American Motors Corp. But then he said, "Consumers have to interpret a whole host of new brand names and entries as the compact and intermediates grow closer. It's a search and sorting process."

▪ A few weeks later, GM decided the intermediate sales malaise of all its divisions had gone far enough. It mounted a corporate ad campaign after President E. M. Estes admitted, "Maybe we were too cocky going into the 1978 model year. There's no question we weren't working nearly as hard as we had been a year earlier."

A total of 100 daily newspapers were used along with 30 and 60-second commercials in prime time and early evening hours. The campaign hit at fuel economy, room and handling ease.

Chevrolet also stepped up its ad allocation from the intro 30% of budget to well above that using heavy radio, direct mail, Sunday supplements and more tv. Malibu got a fix, picking up the old "Baseball, hot dogs, apple pie and Chevrolet" theme song. It worked as sales started to climb in March.

Chevrolet didn't spare the horses when it came to introduce the 1979 models in the fall of 1978. Monza was the center of "National Chevy Week" and Chevrolet mounted the most intense radio effort ever in such a short time.

With no new cars to introduce, Chevy spread the rest of its effort across the line. The full-size Chevrolet was acknowledged as the top-selling nameplate with "America has driven it to the top." Malibu continued the spring strategy as a "fresh new slice of apple pie." Monte Carlo got more print exposure stressing elegance and performance.

Nova, the doomed compact, again traded on its use as a police car before it was phased out for the X-body Citation in the spring of 1979. Camaro, the sporty subcompact with a good track record, became an "image" car and for the first time Chevy four-wheel-drive trucks were advertised separately.

Chevette, meanwhile, got ad attention as funds were diverted from Monza and other good-selling lines after the first of the year. Chevy pointed out it was the best-selling subcompact.

▪ Oldsmobile cracked the 1,000,000 mark in sales—1,006,344—in 1978, a year which saw its mainstay Cutlass drop slightly in sales. Cutlass had 520,279 sales, down from 527,939. Olds along with Buick was doubly encumbered with downsized intermediates that in standard versions had an aeroback or roofline that swept unbroken to the rear bumper.

Buyers weren't confused in this part of the mid-market. They didn't like the styling. Despite this, Cutlass managed to hold its own while sales of the full-sized Delta 88 and 98 increased to 396,815 from 349,403.

Olds' marketing strategy for Cutlass helped. There wasn't just one model but a whole flock, each aimed at a different buyer. The Supreme Brougham was a "retreat into luxury"; the Calais was the "sophisticated sport" and the Salon (the slope back) was designed for function and economy.

Omega was seen as a refuge for those who rebelled against the aeroback, but the big money—about half of the intro budget—was on Cutlass. The use of fringe time was boosted to improve cost efficiencies; magazines got more play and spot radio held even.

There was an eight-page color newspaper supplement that had a circulation of 41,000,000. The Olds diesel got off with a substantial campaign that had to be cut back because of manufacturing delays.

▪ In all, Olds spent $34,090,400, up from $27,221,600, with the largest chunk and biggest increase in tv. Olds spent $14,689,600 on tv, up from $8,946,900. Magazines went up as Olds told the engineering story. Expenditures were $8,919,600, up from $7,778,100.

Olds was still optimistic as the first quarter of 1978 opened. The aeroback was targeted more firmly at the import buyer and the low-end compact buyer and the ad heat was kept on. By spring, voiceover tv commercials were taking on imports head-on in what was called a second season.

GAS
GAS
GAS
THERE HAS NEVER BEEN A BETTER TIME TO OWN AN OLDS.
Oldsmobile

GM's Oldsmobile sold 1,000,000 cars in 1978, even though its Cutlass dropped in sales. Oldsmobile spent $34,090,400 in 1978.

Olds spent more ad dollars in the third quarter than it did to introduce the 1978s. Olds rolled out an old model name the Holiday 88 coupe to attract those still shying away from the aerobacks. A Firenza model was added to the lackluster subcompact Starfire.

▪ Olds came into model 1979 sadder but wiser. Cutlass models were grouped in one commercial that hit again on "Cutlass is different cars for different people." The Delta 38 was segmented as a family car and 98 got the line, "Of the world's luxury automobiles, it could be your most logical choice." It was advertised only in upscale books. Omega went overseas for background magazine shots in a continuing attack on imports.

Buick also had the handicap of the aeroback intermediates—the Century in its case—but sales of the downsized car increased to 323,356 from 279,657. The full-size Buick, LeSabre and Electra dipped to 312,119 from 323,860 while Buick's compact Skylark stayed even.

Buick raised its ad outlays significantly as it aimed at the younger buyer. Ad outlays climbed to $44,252,400 from $31,502,500. The biggest increase was in network tv to $19,668,500 from $11,154,500.

Buick went after the younger buyer who wanted more luxury and it did it with turbo-charged engines on the intermediate Regal coupe and standard LeSabre. Turbocharging delivers gas economy and performance and Buick headlined everything with "A little science, a little magic."

The science was the turbo and the magic was the new styling. Electra, the top of the line; Riviera, a personal luxury car off the Electra and LeSabre repeated the story of their downsizing—luxury without sacrificing room.

Skylark was an "intelligent" compact and Skyhawk was given a sporty personality for the subcompact market. Skylark was also the second best selling GM compact next to Chevrolet's Nova.

Buick's idea of a spring tonic was to replace its normal scatter prime time tv buy with a lineup of specials. The March blast was the highest for any March, the company said. Magazines also got a strong campaign and a month-long radio buy was made on the networks.

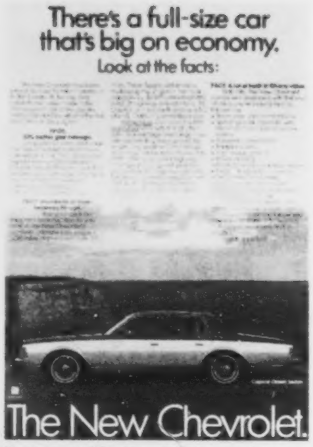
▪ The Buick intermediates weren't suffering as badly as those of Olds but they still got reinforcement. The turbo equipped models were in short supply and Regal ads also started promoting mpg. At about the same time, Buick hired actor Glenn Ford as a spokesman despite his competitive surname. But Mr. Ford didn't get his name on the screen, all the same, thank you.

Opel, the only captive GM import, received a spring campaign that stressed its parentage with "If you're looking for a great Japanese car, look for a great American name. Buick." It was the valedictory for Opel. Isuzu Motors Ltd. of Japan stopped exporting Opel to Buick in mid-1979 to set up its own distribution network.

Buick had the newly downsized Riviera in the fall of 1978. The car shed its Electra lines and joined the Olds Toronado and Cadillac Eldorado on a front-wheel-drive chassis. The Riviera became a "halo car"—one that attracts attention and people into showrooms.

▪ Over-all, the emphasis was on fun. "Psychographic surveys indicate that people are very much concerned with how they're going to enjoy their life style and appreciate the fruits of what they have earned," a Buick adman said.

The theme became, "After all, life is to enjoy." Buick was back with the turbo this time in a Century Turbo coupe with performance axle, spoilers and blacked-out trim. GM backed the Riviera, Eldorado and Toronado with a special corporate campaign talking about engineering features.



General Motors' Chevrolet retained its position as the best-selling car nameplate, backed by ad spending of $116,051,100.

Pontiac made its downsized intermediates, LeMans and the specialty Grand Prix, the stars of its 1978 intro. The theme used science-fiction backgrounds of galaxies, but the aim was simple. "We are going to push through the noise of the introductory period with our biggest media blitz to fight to get our story out," a Pontiac marketer said.

It included a tv network barrage, network radio, spot tv, radio, Sunday supplements, direct mail and outdoor. When the year closed, Pontiac had increased its ad expenditures to $33,544,500 from $27,543,400 with the biggest boost in network tv—to $12,603,500 from $8,624,300.

Magazines gained to $6,082,700 from $4,119,300, while other media held steady, except for outdoor which was cut to $199,200 from $1,428,600.

▪ The results were mixed with the intermediates. LeMans outdrew its predecessor model 125,020 to 73,061. The 1977 LeMans "didn't get one line of factory advertising," Pontiac said.

Grand Prix fared less well, dropping to 224,195 from 235,833, which was still good enough to retain its position as Pontiac's best-seller. Phoenix dropped to 58,280 from 72,520. Total sales rose to 896,980 from 808,467.

Pontiac's two subcompacts, Sunbird (Monza) and Firebird (Camaro) did well. Firebird rode a pre-gasoline crunch wave of performance cars to sales of 188,212, up from 137,807, and Sunbird, plugging mpg, moved up to 91,737 from 90,483.

When things started slowing down around the first of 1978, Pontiac leapt in with "Price our Pontiacs" price ads on LeMans and Grand Prix. Also featured were the regular Pontiac Bonneville and the Sunbird.

By fall the largely unchanged 1979 models needed a new image. "The market is going to smaller cars. Our image has always been the medium-price bigger car and we've got to adjust," said James Graham, director of merchandising. "Sunbird is where the future is. We think we are viable to go after the import market."

So Pontiac reduced the Sunbird price and added more equipment and launched a campaign, "More Sunbird for the money." The price reduction and special campaign were similiar to the National Chevy Week for Monza.

▪ The successful Firebird, a car that seemed dead a few years before, was the "halo" car for Pontiac. It got more ad dollars behind its "muscle car" versions to rub off the performance image on the rest of the line.

An eight-page magazine foldout had the Firebird on the cover with the legend, "A new breed of wow"—Ford's new Mustang was just plain "New breed." The rest of the line went under "Our best get better."

Cadillac, with downsizing behind it and nothing new in model 1978, concentrated on image with "Behind the great name, a great car." It found its own youth market—couples earning $40,000 plus.

Cadillac sales and ad expenditures were tasteful. Sales rose nicely to 350,813 from 335,785 with the Seville, the compact Caddy, the regular Cadillac and the personal luxury Eldorado all moving up.

Ad outlays increased decorously to $14,208,700 from $12,208,000. Network radio was the big gainer going to $260,200 from $150,500. More was spent on newspapers and magazines—$6,631,800—than tv—$5,683,400.

By the summer, Cadillac was trying to warm up the market for the diesels it needed to get respectable mpg. The radio-only campaign promoted the diesel although then it was only available on 1,500 Sevilles. The 1979 models were due to get diesels and Cadillac wanted to smooth the way.

▪ Cadillac believed its downsizing had sunk in and was predicting great things. The Eldorado, it was thought, would appeal to a broader segment of the market with its downsizing. It became (that word) "the new breed of Eldorado."

But Cadillac did have a problem—the new Eldo was the same size as the Seville now. "We hope they will appeal to different buyers," a Caddy adman said. Eldorado stressed styling and roadability and the Seville, comfort and elegance.

GMC Truck & Coach division started off its 1978 model year sounding like one of the car divisions. It wanted to cash in on the popularity of light trucks for personal use. The line was "Realizing your next car should be a truck."

GMC didn't ignore its heavy duty stuff either and used "Get truckin'. Get a GMC." The results in 1978 were a record 351,257 trucks sold, up from 292,921 in 1977. Ad expenditures increased to $3,912,300 from $3,170,100 but the mix changed when the 1979 models went on sale.

Ad outlays were increased and the division turned to tv for the first time in several years. Network tv expenditures went to $892,500 from zero, most of it on Monday Night Football. Network radio, the mainstay previously, was cut back to $223,100 from $485,300.

▪ GM started losing some of its top marketing personnel to other companies. James Bostic resigned as Oldsmobile director of marketing to join Toro Mfg. Co.; Christine Meyers left Pontiac as ad manager to become Detroit ad manager for *Penthouse;* Don E. Parkinson moved into her job from the field; Tom Staudt left Chevy as director of marketing to join AMC as vp-marketing group; David J. Van Peursem who took Mr. Bostic's place at Olds left to join AMC as general manager of marketing.

Within GM, L. D. Robbins was named director of marketing at Buick, succeeding George Frink who moved to a corporate post.

Elsewhere, GM and the Federal Trade Commission agreed that some print ads for 1979 models should disclose where a car engine was made. It was an outgrowth of the Oldsmobile engine "switch."

GM signed as a major sponsor of a 12-hour network tv series on ways to cope with future energy problems. Walt Disney Produc-

BEST AVAILABLE COPY

TRAC
HEAVY WITH MOISTURIZERS

Gillette's Trac II Lotion ties in with its Trac II shaving system, the largest selling system in the U.S.

tions is to make the series which ties in with Disney World in Florida where GM also will sponsor the "Experimental Community of Tomorrow."

- GM of Canada had its sixth straight record year with vehicle retail sales of 585,000 and car sales got 3.1% more penetration to capture 42.1% of the market.

Overseas retail sales were a record for the third straight year. GM sold 1,526,000 cars and 340,000 trucks—with Europe leading the way.

Combined worldwide sales of GM power and appliance products set records. Detroit Diesel Allison division sold more than 141,000 engines, up 19%. Deliveries of U.S.-made locomotives by Electro-Motive division were up 27% with record dollar sales, GM said. TEREX earthmoving equipment sales were up 3% worldwide.

Early in 1979, GM sold its Frigidaire appliance business to White Consolidated Industries. The division spent $11,006,700 in 1978 advertising, up from $7,352,700.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$46,702,900	$47,504,900
Magazines	56,305,300	44,029,400
Farm publications	1,616,400	1,743,700
Spot tv	25,073,100	26,748,300
Network tv	107,826,500	90,699,500
Spot radio	20,202,000	15,922,000
Network radio	3,171,700	2,915,100
Outdoor	5,448,100	5,777,200
Total measured	266,346,000	235,346,100

MARKETING PERSONNEL

R.D. Burger, vp, mktg
Gail Smith, genl director, adv & merch
D.J. Teasdale, mgr, adv
J.W. Finney, asst mgr, adv-media
D.K. Murley, D.P. Bolen, adv supers
Margaret Hudzik, adv traffic coordinator

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—Milton F. Coulson Jr., exec vp-mgmt super; William A. Mara, vp-acct super; Ronald Monchak, senior vp-creative director.

PUBLIC RELATIONS STAFF

A.G. De Lorenzo, vp
J.W. McNulty, director, corp communications
G.H. Pruette, mgr, public affairs adv

ADVERTISING AGENCY

N W Ayer ABH International, New York—Louis T. Hagopian, chairman & ceo; Neal W. O'Connor, chairman of exec committee; David Means, exec vp; Robert Kingsbury, senior vp, mgmt super; Earl Shorris, senior vp, group creative director; Marcella Rosen, senior vp, media director; Jerry Siano, exec vp, director, creative services; Richard Prince, vp, acct super; Ben Hurowitz, vp, associate media director; Bruce Small, media super; William O. Barbour, media planner; Oliver W. Leigh, acct exec; Barbara Ossola-Ruland, tv producer; Marguerita Breen, senior art director; Angelo Sannasardo, art director; Susan Pralgever, copy super; Arthur Kimmel, writer.

BUICK MOTOR DIVISION

MARKETING PERSONNEL

Donald H. McPherson, vp, genl mgr
J.D. Duffy, genl sales mgr
C.L. Foster, asst genl sales mgr-admin
R.L. Ingersoll, asst genl sales mgr-eastern area
J. J. Faerber, asst genl sales mgr-western area
H.E. Savage Jr., director, adv
T.L. Pond, director, pr

ADVERTISING AGENCY

McCann-Erickson, Troy, Mich.—E. Michael Roche, exec vp, mgmt; Richard A. Hill, vp, media; David A. Lubeck, senior vp, mgmt super; Harold E. Allen, vp, acct super; John Geoghegan, acct exec; John L. Frakes, vp, creative director; Lance Aldrich, vp, associate creative director; Harold W. Randall, vp, acct super-product info; Charles E. Valentine, senior acct exec; Joann Tucker, broadcast operations super.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 8,593,300	$ 8,740,900
Magazines	7,920,900	6,735,900
Spot tv	5,498,300	2,999,200
Network tv	19,668,500	11,154,500
Spot radio	768,000	767,200
Network radio	1,200,800	817,800
Outdoor	602,600	287,000
Total	44,252,400	31,502,500

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Riviera	25,753	20,809
Buick	312,119	323,860
Century	323,356	279,657
Skyhawk	22,221	24,872
Skylark	97,915	97,196
Opel (import)	19,222	29,067
Total	800,586	775,461

CADILLAC MOTOR CAR DIVISION

MARKETING PERSONNEL

Edward C. Kennard, vp, genl mgr
L. B. Pryor, genl sales mgr
W. R. Lewellen, asst genl sales mgr, central office activities
C. Chynoweth, asst general sales mgr-West
Robert W. Starr, asst genl sales mgr, East
R. G. Chumdley, natl merch mgr
Anthony Stromberg, asst natl merch mgr, adv & sales promo
P. H. Montgomery, director, pr

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—Ernest A. Jones, chairman, intl; Charles F. Adams, president; Wendell D. Moore, president, Bloomfield Hills; James T. Doyle, vp, acct super; G. A. Scott, vp, creative director; R. C. Spaulding, vp, associate media director; Robert C. Reed, acct exec; A. L. McClain, director, pr.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 3,315,900	$ 3,372,800
Magazines	4,663,700	4,135,500
Spot tv	930,100	895,300
Network tv	4,753,300	3,352,400
Spot radio	285,500	285,100
Network radio	260,200	150,500
Outdoor	—	16,400
Total	14,208,700	12,208,000

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Seville	55,721	44,667
Cadillac	248,825	244,770
Eldorado	46,267	46,348
Total	350,813	335,785

CHEVROLET MOTOR DIVISION

MARKETING PERSONNEL

R. D. Lund, vp, genl mgr
R. E. Cook, genl sales mgr
A. T. Olson, asst genl sales mgr-staff
D. A. Bouchard, sales mgr, trucks
C. O. Uren, director, adv
T. R. Chick, mgr, passenger car adv
H. J. Cordes, mgr, truck & wagon adv
J. J. Williams, director, pr

ADVERTISING AGENCY

Campbell-Ewald Co., Detroit—T. B. Adams, chairman, ceo; P. L. John, president; J. I. Bernardin, exec vp, director of creative services; W. J. Tausch, exec vp, acct director; W. R. O'Neil, senior vp, associate acct director; T. R. Boyd, senior vp, mgmt super, adv & merch, trucks; F. A. Malsom, senior vp, exec director, creative services, cars & trucks; C. F. McLaughlin, senior vp, mgmt super, car merch; R. W. Mitchell, senior vp, mgmt super, small car; W. S. Schindler, senior vp, director of pr; A. J. Hopp, senior vp, associate mgmt super, big car; M. F. West, senior vp, associate mgmt super, adv & merch, trucks; L. F. Farrell, vp, acct super, car merch; F. Fraser, vp, director of automotive mktg; W. R. Kennedy, director of car product info; R. G. Smith, mgr of adv rsch; D. S. White, director of field operations.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$18,131,600	$18,527,000
Magazines	22,725,800	16,804,000
Farm publications	1,316,400	1,406,400
Spot tv	5,607,500	10,105,800
Network tv	47,178,400	53,817,400
Spot radio	16,139,000	12,032,000
Network radio	512,600	261,200
Outdoor	4,439,800	3,047,500
Total	116,051,100	116,001,300

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Chevette	247,088	196,218
Nova	248,214	312,135
Sportvan	43,582	39,609
Camaro	260,201	208,511
Monza	158,127	83,413
Malibu	374,124	296,193
Chevrolet	621,140	657,151
Monte Carlo	355,058	370,825
Corvette	42,247	42,571
Total Pass. cars	2,349,781	2,280,439
Trucks	1,340,259	1,205,882
Total division	3,690,040	3,486,321

OLDSMOBILE DIVISION

MARKETING PERSONNEL

R. J. Cook, vp, genl mgr
J. F. Mattox, genl sales mgr
W. W. Lane, asst genl sales mgr-western
J. O. Grettenberger, asst genl sales mgr, mktg & dealer activities
J. W. Hill, asst genl sales mgr-eastern
R. H. Ogden, admin asst to genl sales mgr
L. C. Myers, mkt analysis mgr
F. W. Bennetts, director, pr

ADVERTISING AGENCY

Leo Burnett Co. of Michigan, Southfield Mich.—John C. Ryan, senior vp, mgmt director; James Oates, vp, acct super; Joe Henry, vp, media director; Al Cochrane, vp, acct exec; Jim Gentile, acct exec; Roger Baily, acct exec-Oldsmobile.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 8,826,800	$ 8,978,400
Magazines	8,919,600	7,778,100
Spot tv	4,560,300	2,943,800
Network tv	10,129,300	6,003,100
Spot radio	1,175,000	1,173,900
Network radio	302,000	268,400
Outdoor	177,400	74,900
Total measured	34,090,400	27,221,600

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Omega	42,860	51,724
Starfire	18,351	19,120
Cutlass	520,279	527,939
Oldsmobile	396,815	349,403
Toronado	28,039	28,860
Total division	1,006,344	977,046

PONTIAC MOTOR DIVISION

MARKETING PERSONNEL

R.C. Stempel, vp, genl mgr
G.G. Spaulding, genl sales mgr
W. W. Harris, asst genl sales mgr, admin
C. E. Chambliss, asst genl sales mgr
N. L. Cheal, asst genl sales mgr
S. A. Hoostal, asst genl sales mgr
J. W. Johnston, asst genl sales mgr
W. H. Ross, asst genl sales mgr
J. H. Graham, director of merch
S. T. Richards, director, pr
D. E. Parkinson, adv mgr

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—H. G. Bay Jr., senior vp, mgmt super; Ronald M. Fallis, vp, acct super; George Acree, vp, acct super; Sean Neall, Terry Livermore, Pat Aulgur, acct execs; Pat Brown, acct mgr; Ron W. Monchak, senior vp, creative director; Carl B. Wheeler, vp, production & traffic; Lucien DiSalvo, senior vp, director of media, mktg & rsch; Leo A. Hillebrand, vp, GM media coordinator; Robert C. Spaulding, vp, media director; William K. Rankin, acct exec, product info; James F. Scharfenberg, acct exec, product info, styling, engineering; Arthur Morat, vp, group creative super; Art Harrington, vp, director of sales promo; Rick Trentarcost, copywriter; John Greening, vp acct super, director of mktg.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$6,837,300	$6,840,700
Magazines	6,082,700	4,119,300
Spot tv	6,735,100	5,154,200
Network tv	12,603,500	8,624,300
Spot radio	870,000	869,700
Network radio	216,700	506,600
Outdoor	199,200	1,428,600
Total	33,544,500	27,543,400

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Phoenix	58,280	72,520
Firebird	188,212	173,807
Sunbird	91,737	61,790
LeMans	125,020	73,061
Grand Prix	224,195	235,833
Pontiac	209,536	198,763
Total Division	896,980	808,467

GMC TRUCK & COACH DVISION

MARKETING PERSONNEL

Robert W. Truxell, vp, genl mgr
James E. Conlan, genl sales mgr
E. Jarvis Ransom, coach sales mgr
Richard F. Lucas, asst genl sales mgr, trucks
Carl E. Rehm, asst genl sales mgr, merch
James E. Wenzel, adv mgr, trucks
Frank E. Cronin, director, pr

ADVERTISING AGENCY

McCann-Erickson, Troy, Mich.—Harry W. Grusche, senior vp, mgmt super; Richard A. Hill, vp, mktg & media director; George T. Skirtich, acct exec; Edmund H. Sale, vp, acct super.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$180,800	$190,000
Magazines	2,004,200	1,840,300
Farm publications	300,000	337,300
Spot tv	84,000	87,400
Network tv	892,500	—
Spot radio	218,000	218,200
Network radio	223,100	485,300
Outdoor	9,700	11,600
Total	3,912,300	3,170,100

RETAIL SALES (U.S. IN UNITS)

	1978	1977
Trucks	351,257	292,921
Coaches	1,267	473
Total	352,524	293,394

AC-DELCO DIVISION

MARKETING PERSONNEL

W. C. Lee, genl mgr
R. J. Smith, genl sales mgr
J. M. McKenzie, asst genl sales mgr, mktg
D. P. Robison, director, adv
D. K. Colliver, F. R. Alexander, associate adv mgrs

ADVERTISING AGENCY

Campbell-Ewald Co., Warren, Mich.—R. E. Britton, senior vp, mgmt super; I. W. Beaton, vp, senior acct super; R. E. Guerrier, acct super; R. L. Greer, acct exec; M. A. Hudson, senior vp, creative services; R. A. Mancini, vp, media group super; T. J. Glynn, exec vp, director of media; L. A. Monsen, acct exec.

DELCO ELECTRONICS

MARKETING PERSONNEL

E. P. Czapor, genl mgr
J. C. Crawford, genl sales mgr
E. J. Marx, merch mgr
W. B. Draper, director, pr

ADVERTISING AGENCY

Campbell-Ewald Co., Detroit—Robert T. Fell, exec vp; Robert E. Britton, senior vp, mgmt super; Ross Morgan, vp, acct super; Penelope A. Geismar, acct exec.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$90,000	$95,000
Magazines	1,640,300	3,289,500
Spot tv	23,800	71,000
Network tv	4,880,800	4,069,300
Spot radio	731,000	731,100
Network radio	456,300	5,600
Outdoor	17,300	57,100
Total	7,839,500	8,318,600

ELECTRO-MOTIVE DIVISION

MARKETING PERSONNEL

Peter K. Hoglund, genl mgr
W. A. Fox, director, sales & service
G. C. Mulick, genl sales mgr, power products
R. E. Hill, genl sales mgr, domestic locomotives
F. J. Babel, genl sales mgr, export locomotives
Robert D. Innes, director, pr & adv
Nancy A. Calvert, staff asst

ADVERTISING AGENCY

Marsteller Inc., Chicago—Richard Christian, chairman; Milt Lynnes, exec vp, genl mgr; John Roberts, mgmt super; Steve Jareo, acct super; Ashley Shomaker, acct exec.

GENERAL MOTORS ACCEPTANCE CORP.

MARKETING PERSONNEL

S. K. Smith, president
R. R. Nelson, exec vp
C. A. Krauss Jr., director, pr & adv

ADVERTISING AGENCY

Campbell-Ewald, New York—James I. Bernardin, exec vp, creative director (Detroit); Thomas J. Glynn, exec vp, media director (Detroit); James J. O'Neal, senior vp, div mgr, acct super.

Gillette Co.

	1978	1977
Sales+	$1,710,471,000	$1,587,209,000
Earnings+	94,564,000	79,720,000
Advertising*	99,000,000	90,044,000

+Worldwide *U.S. Estimated by AA

Gillette Co., Boston, the 38th largest national advertiser, increased its advertising 10% to an estimated $99,000,000 in 1978.

Worldwide sales in 1978 increased to a record $1.7 billion, while earnings increased 19% to $94,564,000. Sales for the first quarter of this year rose 15% to $457,222,000, while earnings jumped 38% to $30,853,000.

Gillette chairman and chief exec, Colman M. Mockler Jr., attributed the higher first quarter sales and earnings to improved sales in the International division and to sharply higher profits for the Braun Group and diversified companies. He also noted, however, that while sales of Gillette North America were up slightly, operating profits were slightly lower.

Gillette's sales and profits contributed by its four major lines shaped up as follows in 1978: Blades and razors, sales 33% and profits 72%; Personal Care, 25% and 13%; writing instruments, 8% and 6%, and Braun products, 24% and 13%.

- Worldwide advertising and promotion costs in 1978 were $239,900,000, up from $207,900,000. The 1978 total included $155,900,000, for advertising, including sampling, and $84,000,000 for sales promotion.

With sales and profits advancing to record levels, Gillette's safety razor division continued its dominance of the wet shave market on the strength of Trac II, the nation's largest selling shaving system, and the continued success of the Atra
automatic-adjusting twin-blade
zor and cartridge. Introduce
mid-1977, Atra continues to be
best-selling razor in the count

Since its introduction, Atra
achieved about an 8% share
blade units in the U.S.
company's Trac II cartridges
main the nation's best-sell
blade with an estimated 18
share of units.

During the past months, h
ever, Trac II has come under att
from the Bic Pen Corp. In a c
parative ad, Bic compares
shaving closeness of its 19¢ sir
edge disposable razor to the hig
priced double edged Trac II.

Gillette has asked the Natio
Advertising Division of the Be
Business Bureau to review
commercial, and has asked
three networks to ask Bic for m
fications. Both NBC and ABC
presently showing a modified c
mercial and the NAD is prese
reviewing the ad.

- Gillette, in addition to marke
its own Good News! twin-bl
disposable razor, is testing a sir
edge disposable priced co
petitively with Bic.

At its annual meeting in A
Gillette unveiled Atra Invitatic
line extension to the Atra. Price
$1.59 for its introduction, the I
tation is expected to appeal to
ple who have resisted regular A
because of its heavier weight a
or its suggested $4.95 list price

In the $425,000,000 blade mar
Gillette's share continues to b
the area of 60%. Schick (War
Lambert) has the No. 2 spot w
share in the low 20s. The rest o
market is held by American Sa
Razor, Wilkinson Sword, Bic
and private labels.

In an attempt to build its shar
the $525,000,000 deodora
antiperspirant market, the
sonal care division last Au
launched Dry Idea roll-on anti
spirant, backed by an $18,000
advertising and promotional in
ductory campaign.

- Deodorants and antiperspir
are the division's most impor
products. Sales of nonaer
products rose last year offsett
slight decrease in the aerosol
gory.

Gillette's Right Guard and
& Dri hold approximately a
share of the over-all market.
division's share is believed to
slightly less than that of Procte
Gamble (Sure and Secret), and
above Bristol-Myers (Ban, U
Ban, Ban Basic pump and Ti
roll-on).

In the United Kingdom
Latin America, Gillette brands
tained their strong positions,
ported by the launch of Zircon
roll-on antiperspirant.

Last year, the company also
troduced Ultra Max shampoo
blow dryer use. While its intro
tion was supported by
$17,000,000 campaign, sales did
meet expectations. Hoping to
tain a 7% to 8% share of
$800,000,000 shampoo market,
company has repositioned
shampoo.

- Procter & Gamble's Head &
Shoulders, is the shampoo lead
with a 12% share, derived from
tie-in as a dandruff-killer an
shampoo. There are more than 6
national brands of shampoo.

In March, Gillette and its former agency, J. Walter Thompson Co., reached an out-of-court settlement and agreed to pay Alberto-Culver Co., Chicago, $4,250,000. Alberto originally sued Gillette and JWT over a comparative ad, which claimed that Gillette's Tame conditioner "rinses clean" while leaving the impression that Alberto Balsam left the hair oily and greasy.

The division also introduced two new products this year. Silkience "self adjusting" hair conditioner, backed by a $6,000,000 campaign, and Foamy Tropical Coconut shave cream, launched in July with a $2,000,000-plus campaign.

Gillette's Foamy line continued to lead the $125,000,000 shaving cream market with a 24% share. Trac II shave cream accounted for an 8% share.

The company has also just completed a repackaging and design of its Dry Look pump hair spray for men. The new package is color coded to differentiate between regular, max and extra hold. According to the company's annual report, Dry Look, last year, increased its market share and remained the best selling men's aerosol hair groom.

▪ Ad spending for the personal care division last year was approximately $41,000,000, according to Leading National Advertisers. Among the products receiving the most support were Adorn hair spray, Foamy Face Saver shave cream, Dry Idea, Right Guard antiperspirant spray and stick, and Soft & Dri roll-on and spray.

In February, J. Walter Thompson Co., New York resigned its $25,000,000 Gillette business in order to work on Warner-Lambert's Schick account overseas.

Gillette assigned its Atra business to McCann-Erickson and its White Rain and Adorn hair products to N W Ayer ABH. Its Cricket and Super Cricket disposable lighters and Daisy disposable razors were not reassigned and are not presently being advertised.

Gillette's appliance division introduced 11 new products during the second half of 1978 and the first half of 1979, including six new hair dryers/stylers, a curling wand, SuperCurl Easy Roller for hairsetting; Body Tender, a total body care appliance with six attachments; Heat Wrap, which can be adapted to almost any portion of the body to soothe aching muscles, and Steam Facial skin cleanser, complete with directional steam hose, facial brush and sponge applicator.

Body Tender, SuperCurl Easy Roller and Heat Wrap mark the division's first entry into the skin care, hairsetter and health care markets.

Gillette's hair dryers and curling irons remained among the leaders in their categories. The Max line continued to be the No. 1 selling hand-held dryer line. Ad spending on Gillette personal care appliances was approximately $4,000,000 last year.

▪ The Paper-Mate division in January introduced Eraser Mate pen, a refillable ballpoint with erasable ink, which received $5,000,000 in ad support.

The division's ballpoint pen sales hit record highs with much of the growth attributable to sales of Write Bros. stick pens in both the retail and commercial sectors.

In addition, porous pens, the largest part of the company's U.S. business, maintained a leading share in the $110,000,000 category, with the introduction of the Quick Silver Flair rolling ball pen. Gillette now has an entry in every porous point pen category. The Quick Silver was backed by $1,800,000 in ad support for its introduction last year.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 775,300	$ 522,900
Magazines	9,795,800	5,603,500
Spot tv	14,629,500	11,898,700
Network tv	42,634,300	46,401,900
Spot radio	——	16,000
Outdoor	——	1,000
Total measured	67,834,900	64,444,000
Unmeasured	31,165,100	25,600,000
Estimated	99,000,000	90,044,000

GILLETTE CO.

ADVERTISING SERVICES DIVISION

Thomas T. Ryan, vp (including Moorgate)
Thomas A. L ix, director, media buying
Allen K. Gibbs, director, media services
Ronald Harding, director, tv production
Howard Fisher, associate mgr, media buying
Robert J. Evans, associate mgr, promo services

SAFETY RAZOR DIVISION

MARKETING PERSONNEL

Joseph A. Marino, vp, mktg
Charles T. Verde, director, new products
Glenn S. Archibald, director, existing products
Stephen A. Shapiro, group product mgr, blade/-razor systems
Joseph Crisp, group product mgr, new blade/-razor systems, Atra
W. Scott Roberts, vp, sales

ADVERTISING AGENCIES

McCann-Erickson, New York—Atra razors and cartridges—Donald Dillon, senior vp; Richard Costello, acct super; Pamela Smiley, acct exec; Vincent Tortorelli, group media director; George D'Amato and Herb Green, associate creative directors, Barbara Lindberg, associate rsch director.

Benton & Bowles, New York—Good News! disposable razor—Richard Hopple, mgmt super; Frank Farrell, acct super; John LaPick, creative director; Larry Tiber, associate rsch director; Frank Massaro, associate media director.

Batten, Barton, Durstine & Osborn, New York—Trac II razors and shaving cartridges—Bill Badger, mgmt super; George Pryde, acct super; Phil Dusenberry, senior vp, creative director; Len McCarron, exec art director; Dennis Berger, associate creative director, Norm Goldstein, vp, mktg info services.

Marschalk Co., New York—C. Anthony Wainwright, exec vp; Richard Villante, vp, mgmt super; Dennis Zolnierzak, acct super; Andrew Langer, exec vp, creative director; Paula Drillman, exec vp.

PERSONAL CARE DIVISION

MARKETING PERSONNEL

William J. Ryan, vp mktg
Robert N. Forman, mktg director, hair care
Peter K. Hoffman, mktg mgr, skin care
John T. Vinton, mktg mgr, deodorants/antiperspirants
Gordon M. Clogston, group product super, established deodorants/antiperspirants
Joel Davis, Norm Roberts, group product supers, hair care
John W. Dickman, vp-sales
Hans J. Lopater, vp-mkt rsch

ADVERTISING AGENCIES

Batten, Barton, Durstine & Osborn, New York—Right Guard, Soft & Dri, The Dry Look, Dry Idea—Jack Thorne, mgmt super.

Marschalk Co., New York—Earth Born, Trac II and Foamy shave creams—Barry Linsky, mgmt super; John Dooner, acct super.

Advertising to Women, New York—Toni, Ultra Max Shampoo, Silkience conditioner—Lois Ernst, president; John Ernst, chairman.

N W Ayer ABH, New York—Adorn, White Rain—Al Wolfe, exec vp; Stan Mattison, mgmt super.

APPLIANCE DIVISION

MARKETING PERSONNEL

William Schawbel, vp-mktg
Allan L. Williams, vp-sales

ADVERTISING AGENCY

Grey-North, Chicago—Supermax 2, Supermax Swivel, Supermax Curlytop, Promax, Promax Compact, Max 1000, SuperStyler 1200, Supermax Pro 1300 and 1400, Supercurl, Body+Curl, SuperCurl Compact, Easy Roller, Zoom Focus Mirror, Body Tender, Steam Facial, Heat Wrap—Ralph Linder, mgmt super.

PAPER-MATE DIVISION

MARKETING PERSONNEL

Derek Coward, vp-mktg
William Nahikian, mktg mgr

ADVERTISING AGENCIES

McCann-Erickson, New York—Paper-Mate ball point pens, Eraser Mate, Autopoint mechanical pencils—Don Dillon, senior vp.

Batten, Barton, Durstine & Osborn, New York—Flair, Flair Hardhead, Ultra Fine Flair, Write Bros. porous point pens, Quick Silver Flair rolling ball pen, PrestoMagiX dry transfer games, El Marko broad tip markets—Craige Johnson, vp, acct super.

BRAUN NORTH AMERICA

Cambridge, Mass.

MARKETING PERSONNEL

Norman J. Merwise, mktg director, Braun-U.S.

ADVERTISING AGENCIES

Ogilvy & Mather/2, New York—Hasselblad cameras, Braun appliances and lighters, S. T. DuPont lighters and pens, Gepe slide mounts and film reels, Agfachrome film, Agfa cameras and photographic papers, Ricoh cameras—Sydney Cassell, a[illegible]xec.

Clark, Bernard & [illegible]arola, Boston—Braun electronic flash, Re[illegible] accessories, Paterson darkroom acce[illegible]ies, Stitz tripods and grips—Ralph Carola, acct super.

DIVERSIFIED COMPANIES GROUP

Plant Care Division

MARKETING PERSONNEL

Albert A. Bergeron, genl mgr
Bill O'Neill, director-sales

ADVERTISING AGENCY

Hill, Holliday, Connors, Cosmopoulos, Boston—Hyponex house plant food, Swiss Farms potting soils, containers and accessories—Ed Grosso, mgmt super.

JAFRA COSMETICS

Canoga Park, Cal.

MARKETING PERSONNEL

Thomas C. Grant, president

We're as basic to America as a small town bus stop.
Greyhound Corporation

Greyhound, the nation's largest intercity bus system, used spread ads with folksy flavor to promote its service.

Greyhound Corp.

	1978	1977
Sales	$4,589,765,000	$4,041,329,000
Earnings ...	58,353,000	81,936,000
Advertising*	45,742,500	50,825,000

*Estimated by AA

Greyhound Corp., Phoenix, the 76th largest national advertiser, decreased its advertising 10% to an estimated $45,742,500 in 1978.

Sales increased to $4.6 billion, 14% above restated 1977 sales. Earnings decreased 29% to $58,353,000. The decline was due to costs associated with closing certain Armour food units in 1978, on the heels of 1977 earnings that were swelled slightly by gains from the sale of Armour's pharmaceutical business.

Greyhound has changed considerably since launching its first intercity bus route in 1914, with a fare of 15¢ between Hibbing and Alice, Minn. Today it is a conglomerate of many companies and services, including Greyhound Lines—the bus company—and the Armour Group of companies, marketers of meats and other food and consumer products. Food and consumer products contributed 22%, and transportation contributed 19% to corporate income in 1978.

▪ Among the corporation's other activities are food services, financial services, leasing, insurance, convention services and aircraft maintenance services. Greyhound also is the largest manufacturer of intercity buses in North America, with 55% of its production sold to other bus companies in 1978. This year production also began on the Citycruiser, Greyhound's entry into the rapidly growing transit bus market.

Under the leadership of Gerald H. Trautman, chairman and chief executive officer, who took over the corporate helm in 1966, Greyhound has moved toward balanced diversification, gradually diminishing the impact of any single segment on the bottom line.

Beginning with the acquisition of Armour & Co. in 1970 and concentrating in recent years on building financial and leasing operations, the move has proven to be sound, as the ailing intercity bus industry has struggled to reposition itself in the face of competition from the private automobile, government-subsidized passenger rail service and inroads of air travel on long-haul business.

In 1978, the airline industry, in a growing atmosphere of "deregulation," turned to low promotional fares with a vengeance. Greyhound, the nation's largest intercity bus system, with about 60% of the total market (and approximately 49% of all regularly scheduled intercity bus revenues)—tried taking on air travel in its advertising, pointing out the similarities of bus and air travel and suggesting the difference between the two came down to time *vs.* money: "Sometimes the airlines can save you time—Greyhound almost always saves you money."

▪ Taking a cue from the airlines, Greyhound and Trailways, the nearest intercity bus competitor with about 20% of the market, stepped up their own promotional fare activity, a move that apparently did little for either bus line.

By August, 1978, Mr. Trautman apparently decided that his bus line was riding on the airlines' merry-go-round and it was time to get off. He took over as chairman of Greyhound Lines, from James L. Kerrigan, and named Frank L. Nageotte, former executive vp of the bus line, to succeed Harry J. Lesko as president.

The ad campaign emphasizing the competition with air travel was scrapped. This year, George W. Cawman, formerly vp-business development, Armour & Co., switched to vp-sales, Greyhound Lines, succeeding Charles D. Kirkpatrick, who retired.

Greyhound Lines takes a preemptive No. 1 position in its 1979 television advertising using a combination of old still photographs and scenes from a modern bus while discussing its service—and ignoring other modes of transportation.

▪ In a tv spot that recalls the first route in Minnesota, the voiceover announcer also declares: "Today, Greyhound is the No. 1 transportation company in the world, carrying 53,000,000 people a year to over 14,000 places in 48 states. The new Greyhound. It ain't what it used to be. Take the bus and leave *everything* to us."

In the six media measured by Leading National Advertisers, Greyhound Lines spent $2,921,700 on passenger advertising in 1978, including $2,592,300 in network tv. For its package express business, the line spent $213,900, including $186,800 in magazines and $27,100 in network radio. Greyhound tours were backed by $11,900 in spot tv and $18,100 was spent for general promotion of the line in magazines.

In October, the corporation reorganized Armour & Co., creating a group of six operating companies. The move was aimed at recognizing that rather than dealing with one homogenous market, Armour business was in several definitive market segments, each requiring custom marketing strategy and well focused management.

Armour declared the development of aggressive business strategies for the six companies as its primary objective in 1979. From those strategies, it intends to develop plans for expansion of existing brands and identify new product and acquisition targets.

▪ Armour Fresh Meat Co. was formed with a separate marketing organization to give added sales impetus to its Veribest and Naturally Tender brands of fresh meat products.

Armour Processed Meat Co. products include Armour Star Bacon, the leading brand in 1978, and Armour Hot Dogs, the nation's second largest selling brand. The company also markets hams, sausage and lunch meats.

In 1979, the processed meats gave up their individual ad approaches, including "the dog kids love to bite" for hot dogs, in favor of an umbrella theme for several products: "Armour. Making it easy to say I love you every day."

In measured media, Armour sausage received $194,500 in spot tv in 1978. Armour Star bacon was supported with $753,300, including $536,400 in magazines and $210,000 in spot tv and $6,900 in outdoor.

Armour Star franks were backed with $754,300, including $499,600 in network radio, $228,200 in magazines and $23,400 in outdoor. A hotdog sweepstakes received $228,200 in magazines. A lunch meats premium offer was backed by $34,000 in newspaper supplements.

▪ Armour Poultry & Dairy Products Co. performed well in 1978 as consumers turned to turkey and chicken as economic alternatives to red meat. In a joint venture, Gold'n Plump branded broiler line was successfully launched in Minnesota and Wisconsin. The turkey business in 1978 was directed toward smaller, cut-up parts, broth and butter-basted whole birds.

Armour-Dial Co. markets Dial soap, the leading deodorant bar, and is believed to be an industry leader in canned meats with a line that includes Treet, Vienna Sausage and Potted Meat and other canned meat products. The company's principal competitor in soaps is Procter & Gamble. Hormel is its principal competitor in canned meats.

Largest single measured expenditure by the corporation in 1978, $5,696,200, continued to be for Dial soap. Of the total, $3,322,900 went to network television, $1,198,700 to magazines, $659,200 to network radio, $285,200 to spot tv and $230,200 was spent in magazines for a Dial soap sweepstakes.

In 1979, the company is said to be putting its heaviest radio and tv support ever behind the brand. A tv spot which shows a woman jogging and then showering carries the jingle theme, "Startin' out clean, startin' out Dial, startin' out new."

Armour-Dial's beauty bar entry, Tone bar soap, was backed by $4,984,400 in measured media, most of it in network tv and $29,600 in magazines and $7,000 in spot tv.

▪ Armour-Dial also markets antiperspirants and shampoo. "As the world gets wetter, Dial gets better," ads declared in 1978 for reformulated Dial anti-perspirant spray in a $135,100 magazine effort. The company also spent $2,558,300 in measured media for Dial Spray deodorants, including $1,839,500 in network tv and $718,800 in spot tv.

Another $75,300 went to spot tv for Dial Dry anti-perspirant. Dial Roll-on deodorant was backed with $63,600, virtually all in network tv.

Dial 2 dandruff shampoo, moving beyond initial test markets in 1978, was supported by $398,600 in spot tv.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 3,452,500	$ 2,938,500
Magazines	5,860,100	6,049,300
Spot tv	2,051,600	3,676,000
Network tv	12,765,800	13,042,000
Spot radio	1,570,100	932,000
Network radio	1,363,900	2,854,900
Outdoor	30,500	651,400
Total measured ..	27,094,500	30,144,100
Unmeasured	18,648,000	20,680,900
Estimated total ...	45,742,500	50,825,000

GREYHOUND CORP.

MARKETING PERSONNEL

Dorothy A. Lorant, vp, pr & adv

GREYHOUND LINES

MARKETING PERSONNEL

G. Cawman, vp, sales

MARKETING PROFILES

Lee Whitehead, pr director

ADVERTISING AGENCY

Glenn, Bozell & Jacobs, Dallas.

ARMOUR PROCESSED MEAT CO.

MARKETING PERSONNEL

J.A. deTarr, vp, mktg
H.D. Churchill, vp, sales
F.X. Tobin, vp, natl retail accts
R.W. Alstrin, vp, food service mktg
W.D. Wallen, natl pricing mgr
N.A. Rago, director of sales/promo devel
F.A. Yorio, new products director
D.L. Passaglia, director, mktg rsch
K.L. Meell, pr director
A.R. Cronquist, group mktg mgr, hams
W.H. Heitz, group mktg mgr, sausage
D.R. Miller, group mktg mgr, food service
L. W. Leedberg, group mktg mgr, special products

Poultry & Dairy Products Co.

P.J. Crane, vp, mktg & sales
G.F. Fettig, group product mgr
T.A. Hartke, product mgr

Fresh Meat Co.

W. Tunnell, president
B.B. Kemp, vp, genl mgr, pork
B. Denton, vp, genl mgr, beef
T.J. Fleming, vp, genl mgr, sales & mktg
L. Gupton, product mgr, Veribest pork

ADVERTISING AGENCIES

Young & Rubicam, Los Angeles—Mitch Barnes, vp, acct super; Joan Gross, acct super.

Marsteller Inc., Chicago—Jim Reiners, Tom McGavin, acct supers.

Hackenberg, Norman & Associates, Chicago—Richard Hackenberg, acct super; Peter Krivkovich, acct super, Pfaelzer frozen gourmet meats.

ARMOUR-DIAL CO.

MARKETING PERSONNEL

R.C. Campbell, vp, product mktg
G.E. Glasgow, director, product mktg/soaps, household
L.D. Langford, director, product mktg/food & toiletries
L.C. Hicks, group product mgr/food
W.B. Martin, group product mgr/toiletries
J.C. Sanchez, group product mgr/household
R.L. Pollard, group product mgr/soaps
W.H. Windham, vp, sales
A.C. De Bolt, vp, sales, special mkts
N. Marsh, vp, natl field sales
H. Goldberg, director, new product devel

ADVERTISING AGENCIES

Foote, Cone & Belding, Chicago—Dial soap, Dial shampoo, Armour Star canned meats, new products—Paul Vernon, mgmt super.

Foote, Cone & Belding/Honig, San Francisco—Tone soap, new products—Robert Imel, mgmt super.

Ogilvy & Mather, Chicago—Dial anti-perspirant, Appian Way pizza, new products—Paul Pass, mgmt super.

Scali, McCabe, Sloves, New York—new products—Dick Roth, mgmt super.

Burrell Advertising, Chicago—black market advertising, Dial soap, Dial anti-perspirant, Tone soap, Armour Star canned meats—Charles Hughes, acct super.

Conill Advertising, New York—Spanish market advertising, Dial soap, Tone soap, Armour Star canned meats—Alicia Conill, president.

Gulf + Western Industries

	1978	1977
Sales*	$4,311,956,000	$3,647,517,000
Net Earnings*	180,516,000	150,327,000
Advertising	126,787,000	100,610,984

***Fiscal years ended July 31, 1978, and 1977.**

Gulf + Western Industries, New York, the 26th largest national advertiser, boosted its total advertising expenditures 26% to $126,787,000 in 1978. Its big spenders were Paramount Pictures, Kayser-Roth and Consolidated Cigar Co.

The company reported a sales increase of 18% and a net earnings rise of 20% for the fiscal year ended July 31, 1978.

Gulf + Western's operating groups accounted for sales in fiscal 1978 as follows: Manufacturing, 21%; financial services, 18%; leisure time, 15%; apparel and home furnishings, 14%; paper and building products, 9%; consumer and agricultural products, 8%; natural resources, 8%, and automotive replacement parts, 7%.

- The first phase of G + W's new corporate ad campaign was the insert of its entire 1978 annual report in the Feb. 5, 1979, issue of *Time*. This 64-page section was the largest ad ever to appear in any medium.

The company said it was designed as a vehicle to describe G + W's scope and diversity to the more than 22,000,000 *Time* readers and celebrate the company's 20th anniversary. The next phase of G + W's ad campaign will be directed toward the business and financial communities and will focus on the company's eight operating groups.

The *Time* insert was priced at $2,700,000 for the U.S. edition and $600,000 for the European edition after discounts. (These expenditures will be included in G + W's 1979 advertising figures.)

The leisure time group, with record sales of $802,000,000 in fiscal 1978 (up 82% over fiscal 1977), includes Paramount Pictures Corp.; Simon & Schuster; Madison Square Garden sports and entertainment complex; Famous Players Limited, a 51%-owned Canadian subsidiary operating theaters in Canada and France; Famous Music Corp., which publishes and promotes musical compositions, and Cinema International Corp. (CIC), which is jointly owned by Paramount and Universal City Studios for overseas distribution of movies.

- Paramount was the group's biggest advertiser with $42,806,000 in ad dollars spent in 1978. Two box-office smashes, "Grease" and "Saturday Night Fever," grossed more than $100,000,000 each in the U.S.

"Grease" is the movie industry's most successful musical ever and Paramount's biggest all-time box-office hit. Paramount almost doubled its share of the 1978 box office grosses—to about 20%.

For his role in the success of Paramount, Barry Diller, chairman and chief executive officer, was chosen Adman of the Year for 1978 by the editors of ADVERTISING AGE.

Mr. Diller, who took over the movie studio in 1974 after being with the programing arm of ABC-TV applied his tv movie and programing expertise to the film world.

Major hits included "Heaven Can Wait" and "Foul Play." Other movies released in 1978 and 1979 included "Up in Smoke," "Goin' South," "Death on the Nile," "Days of Heaven," "Oliver's Story," "King of the Gypsies," "Warriors," "Hurricane," "Real Life" and "An Almost Perfect Affair."

- Paramount's 1979 summer lineup included national release of seven features—one of the heaviest product concentrations in the company's history. These features include: "Players," "Prophecy," "Escape from Alcatraz," "Sidney Sheldon's Bloodline," "Meatballs," "Sunburn," "North Dallas Forty" and "Grease/Saturday Night Fever" as a double feature.

In 1979, Fotomat Corp. and Paramount Pictures signed an agreement whereby Fotomat will rent and sell Paramount features in videotape and disc form through its 3,700 U.S. and Canadian retail outlets.

- Paramount Television turned in a record performance as a result of such top-rated shows as "Laverne & Shirley," "Happy Days," "Mork & Mindy" and "Taxi." Paramount also produces made-for-tv movies and series for U.S. network telecast.

The studio currently is producing at least 11 pilots for the three tv networks for the 1979-80 season in addition to various tv films and miniseries. Paramount TV has been syndicating tv series such as "Star Trek," "The Odd Couple," "The Brady Bunch" and "Mission Impossible."

Simon & Schuster spent about $7,085,000 in advertising, promotion and publicity in 1978, compared with about $5,400,000 in 1977. The company had record sales of $86,000,000 and had more books—hardcover and paperback—on the best-seller lists during 1978 than in any other year in its history.

During 1978-79, hardcover best-sellers included "Tutankhamen; The Untold Story," "The Teamsters," "The Human Factor," "The Women's Room," "Running and Being," "Second Ring of Power," "Good as Gold," "How to Get Whatever You Want Out of Life" and "The Pigeon Project." Paperback best-sellers included "The World According to Garp," "Dreams Die First," "Attachments" and "True Confessions."

- The marketing of books has taken on new sophistication at Simon & Schuster. Computers are used to help the sales force run profit-and-loss evaluations on books and to track book sales. Also, the centralization of five warehouses into one new facility has increased efficiency and produced savings for the company.

Madison Square Garden Corp., the group's newest operating unit, reported revenues of $157,000,000 in fiscal 1978. MSG, which spent $4,965,000 in ad dollars in 1978, owns and operates Madison Square Garden Center in New York, the New York Knicks, the New York Rangers, the Washington Diplomats, James Lipton Productions, Marketing Concepts, 80% of International Holiday on Ice, the Bugs Bunny Follies, Madison Square Garden Cable Network and racetracks in New York and Chicago.

Most of MSG's advertising is done in-house through Madison Square Garden Advertising.

G + W's consumer and agricultural products group had net sales of $440,000,000 in fiscal 1978, up 13% from the previous year. The consumer products unit of this group consists of Consolidated Cigar Co. and the Schrafft Candy Co. Cigar sales accounted for $170,000,000; $43,000,000 were in candy sales, and $227,000,000 in agricultural products.

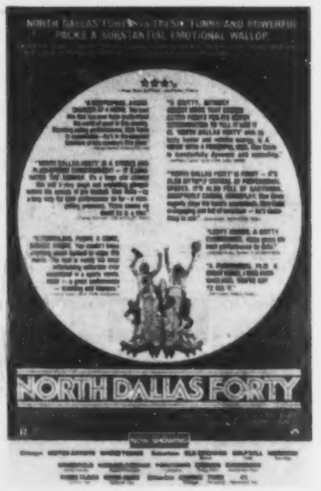
- Consolidated Cigar remains the leading advertiser in the group with more than $3,500,000 in measured advertising dollars spent in 1978. This represented a 53% share of all the advertising expenditures in the cigar industry.

The world's largest cigar manufacturer, Consolidated Cigar slightly enhanced its first place position in the U.S. cigar market with a 26.2% share of unit volume. Its leading domestic brands include Dutch Masters, El Producto, Muriel, Capitan de Tueros and Ben Franklin. Its leading pipe tobaccos are Mixture No. 79, Sutliff Private Stocks and Old Grand Dad.

After successful introduction of Muriel Air Tips Pipe Aroma, Consolidated Cigar unveiled Dutch Treats Pipe Aroma, the latter being a little cigar sold in packs of 20. Its new premium pipe tobacco entry is Sutliff Private Stock Nos. 1, 2 and 3.

Most significant in cigar development is the introduction of Flite Filters, a new cigar that eliminates traditional cigar aroma while retaining its taste. Introduction of the new aromaless cigar began early this year in Ohio, Detroit, Baltimore and Washington, D.C. Advertising in these markets was concentrated in newspaper and broadcast media.

- Consolidated Cigar continues to rely on personalities such as Susan Anton in the promotion of its products. This year El Producto Cigars signed Sonny Jurgensen and Maury Wills for a magazine, newspaper and transit ad campaign with a theme of "C'mon, move up to the pros. El Pro."



Paramount Pictures Corp. released "North Dallas Forty" and six other features during a heavily active summer.

In fiscal 1978, G + W's apparel products group consisted of Kayser-Roth. The group's net sales totaled $725,000,000, up 15% from 1977. Of this, $457,000,000 was in apparel, $187,000,000 in hosiery and $81,000,000 in other products.

Kayser-Roth is one of the nation's largest manufacturers of apparel. The group in fiscal 1978 was divided into four lines of business: Apparel, hosiery, shoes and specialty textiles.

Some of its well-known brand names include Catalina, Cole of California, Excello, Colonial, Her Majesty, Oscar de la Renta men's wear, Bostonian, Sandler of Boston, John Newcombe tennis wear and Kayser intimate apparel.

The hosiery division produces ladies' pantyhose and stockings marketed under such brands as No-Nonsense, Kayser, Mojud and Supp-hose and are distributed through supermarkets, drugstores and mass-merchandisers. Men's hosiery is marketed under the Interwoven, Supp-hose and Fruit of the Loom brands.

In fiscal 1979, Simmons Co., a major manufacturer of home furnishings, was acquired by G + W. This apparel products group was expanded to include Simmons and form a new unit—the apparel and home furnishings group. Simmons Co. will be included in the results of the apparel and home furnishings group in fiscal 1979.

Gulf + Western's other operating groups spent about $15,392,000 collectively for advertising and promotion in 1978, broken down as follows: Manufacturing, $4,061,000; natural resources, $250,000; paper and building products, $1,346,000; automotive replacement parts, $3,149,000, and financial services, $6,936,000.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,329,600	$1,950,100
Magazines	5,367,400	3,098,500
Spot tv	14,983,200	8,232,600
Network tv	15,965,100	7,270,400
Spot radio	731,400	255,000
Network radio	95,500	59,000
Outdoor	556,700	172,900
Total measured ..	39,028,900	21,038,500
Unmeasured	87,758,100	79,572,484
Estimated total ...	126,787,000	100,610,984

MARKETING PERSONNEL

Corporate

William A. Blodgett, asst vp, corp communications
Paul F. Pickard, mgr, field communications

ADVERTISING AGENCY

Foote, Cone & Belding, New York.

Paramount Pictures Corp.

Frank Mancuso, exec vp, distribution & mktg
George Cohen, vp, creative services
Eddie Kalish, vp, worldwide promo/publicity
Bob Goodfried, vp, studio publicity (L.A.)
Tom Campanella, vp, natl adv/adv rsch
Sid Eisenberg, director, natl adv
Louis Shafir, exec director, natl sales promo
Buffy Shutt, exec director, publicity
Jon Gould, director, mktg admin
Kathy Jones, exec director, field mktg

ADVERTISING AGENCY

Diener/Hauser/Bates, New York.

Madison Square Garden Corp.

John Gfeller, vp, corp mktg

ADVERTISING AGENCIES

Madison Square Garden Advertising (in-house).

Sports Advertising Agency (in-house).

Earle Palmer Brown & Associates

Harrison & Higgins.

Consolidated Cigar Corp.

John J. Roarty, senior vp, mktg
Philip Penberthy, vp, mktg
Jeffrey Bittens, vp, sales/sales devel
Joseph DeVico, pr director
Andrew Edmond, mkt rsch director
Richard DeCoursey, mgr, mktg statistical services
Don Young, group product director
R.J. Balkite, group product director

ADVERTISING AGENCY

David, Oksner & Mitchneck

SIMON & SCHUSTER

Trade Book Division (Hardcover)

Strome Lamon, vp, corp adv director
Alvin Reubin, vp, mktg director
Sam Meyerson, vp, mail order sales
Charles B. Davis, sales promo director

Pocket Books Division (Paperback)

Eugene Kaiser, vp, genl mgr
Peter Minichiello, promo, adv director
Kathi Aria, promo, adv mgr

ADVERTISING AGENCIES

Schwab/Beatty, New York.
DKG Advertising, New York.
Franklin Spier, New York.

Gulf + Western Mfg. Co.
Southfield, Mich.

Thomas H. Smith, director, pr/adv
Alan Klavans, director, mktg (New York)

Bohn Group

Drury I. Connor, director, adv/promo

General Industrial Group

James D. Cotter, mgr, adv/promo

Systems Group

Frank R. Meshowski, vp, mktg

ADVERTISING AGENCIES

Josephson, Cuffari & Co., Montclair, N.J.
Jaqua Advertising, Grand Rapids, Mich.
Creamer Inc., New York.
Riegner & Associates, Southfield, Mich.
Keller-Crescent, Evansville, Ind.
Gray & Kilgore, Detroit.
Wilding Advertising, Southfield, Mich.
Miller Advertising, New York.
Ferguson Advertising, Jenkintown, Pa.
George P. Clark Advertising, New York.
Creswell, Munsell, Schubert & Zirbell, Cedar Rapids, Ia.
The Advertising Department, Austin, Tex.
McCarron, Kane, Burbank, Cal.
Huntingdon Graphics, Abington, Pa.
Harton, Church & Goff, Providence, R.I.
Goodchild & Eidson, Inc., Providence, R.I.
RDA Associates, New York.
Caroe Marketing, Rye, N.Y.

A.P.S. Inc.
Houston

Everett L. Kelly, vp
Robert T. Pando, vp

ADVERTISING AGENCY

McCann-Erickson, Houston.

Brown Co.

John H. Stern, vp, industrial & pr

Natural Resources Group

Gordon R. Smith, director, corp communications
Ryland Hoskins, asst director, corp communications

ADVERTISING AGENCIES

Burson-Marsteller, New York.
Holder, Kennedy & Co., Nashville.

Kayser-Roth Corp.

Maurice Forman, director, mktg/devel

Catalina

Pat Shaeff, div adv mgr.

ADVERTISING AGENCY

Hall & Levine, Los Angeles.

Cole

Stephanie Soll, division adv mgr

ADVERTISING AGENCY

Carlson & Liebowitz, Los Angeles

Crown Textile

Richard Sheerr, div adv mgr

ADVERTISING AGENCY

Mintzer, Trossler & Rothschild, New York.

Excello Shirt Co.

Joseph Losgar, div adv mgr

ADVERTISING AGENCY

Park Place Group. New York.

Oscar De La Renta

ADVERTISING AGENCY

Park Place Group, New York.

Her Majesty Industries

June Cheek, div adv mgr

ADVERTISING AGENCY

Ruth B. Fetske Associates, New York.

Pollack Sportswear Co.

Jerry Pollack, div. adv mgr

ADVERTISING AGENCY

Park Place Group, New York.

Interwoven

Peter Glidewell, div adv mgr

ADVERTISING AGENCY

Daniel & Charles Associates, New York

Ladies Branded

Linda Romeo, div mgr

ADVERTISING AGENCY

Greene & Claire, New York.

No-Nonsense

Dick Carter, div adv mgr

ADVERTISING AGENCY

Grey Advertising, New York.

K-R Intimate Apparel

Bernadette Koziel, div adv mgr

ADVERTISING AGENCY

Mintzer, Trossler & Rothschild, New York.

Mavest/Champion/Tassel

Michael Kaye, div adv mgr

ADVERTISING AGENCY
Park Place Group, New York.

A. Sandler Co.
Lorna Starbird, div adv mgr

ADVERTISING AGENCY
Don Wise & Co., Boston.

K-R Shoes: Bostonian
Edwin J. Berkowitz, div adv mgr

ADVERTISING AGENCY
Van Brunt & Co., New York.

K-R Glove & Accessories
Claude Hagelberg, div adv mgr

ADVERTISING AGENCY
Park Place Group, New York.

Associates Corp. of North America
B.P. Daley, sr vp, mktg

ADVERTISING AGENCY
Glenn, Bozell & Jacobs

Simmons U.S.A.
Merrill Norrell, vp, merch
Larry Alm, director, adv

ADVERTISING AGENCY
McDonald & Little, Atlanta.

H. J. Heinz Co.

	1978	1977
Sales	**$2,150,027,000†**	**$1,868,820,000**
Earnings ...	**99,200,000†**	**83,800,000**
Advertising*	**74,111,000**	**65,800,000**

†Fiscal year ended May 3, 1978
***Estimated by AA**

H. J. Heinz Co., Pittsburgh, the 55th largest national advertiser, increased its domestic advertising an estimated 13% in 1978 to $74,111,000.

Fiscal 1978, which ended May 3, 1978, marked the 15th consecutive year of sales and earnings gains for Heinz. Consolidated sales rose 15% to $2,150,027,000, with domestic sales totaling $1.3 billion. Consolidated earnings rose 18.3% to $99,200,000.

Heinz markets more than 1,250 products worldwide, including ketchup, other tomato products, mustard, pickles, vinegar, juices, baby food, soups, sauces, tuna and frozen foods.

In addition to Heinz U.S.A., the company markets products domestically through Star-Kist foods, Terminal Island, Cal.; Ore-Ida Foods, Boise, Ida.; the Hubinger Co., Keokuk, Ia., a producer of corn syrups and starches for industrial use; Weight Watchers International, Manhasset, N.Y., and Foodways National, Hawthorne, N.Y., which markets food products under the Weight Watchers label.

■ In 1978, Heinz maintained its share of the retail ketchup market, estimated at 40%, and hiked its share of the foodservice ketchup market to 60%. The only national marketer of vinegar, Heinz maintained an estimated 12% share to lead in that market.

Ketchup was promoted with $7,438,400 in measured media, the most spent on any Heinz product. Over $6,500,000 of the total was in network tv. Measured ad dollars for vinegar totaled $104,200, primarily in magazine and spot tv advertising.

Heinz 57 steak sauce was repositioned for greater versatility as a recipe ingredient in 1978, with total spending at $3,409,100. Color-coded caps were added to Heinz Homestyle gravy, and brown gravy in a larger 18-oz. size was introduced in test. Media spending totaled $3,244,400.

In the battle for second place in the baby food market, Heinz claims has pulled ahead of Beech-Nut into second place with over a 15% share. All Heinz baby juice is now sold in bottles rather than cans—a move that increased shipments 50%.

In 1979, Heinz introduced a line of natural fruit yogurts made especially for babies into test. Baby food was backed by over $400,000 in measured media in 1978.

Heinz also took another shot at the Campbell-dominated soup market in 1978, introducing a line of premium-priced, ready-to-serve soups called Heinz creamy soups. The line remains in limited test.

Star-Kist tuna is in a virtual tie with Ralston Purina's Chicken of the Sea for leadership in the retail tuna market, which this year topped $1 billion in sales. Star-Kist tuna was backed by $3,784,300 in 1978, with most going to network tv.

Star-Kist rolled national in January, 1979, with 9-Lives dry cat food, backed by a campaign featuring Warner Brothers' Sylvester the cat. Measured media spending in 1978, while the product was in test market, came to $279,600, about two-thirds in spot tv.

The product represented the company's attempt to become a major factor in the dry cat food market, now dominated by Ralston Purina, which holds about a two-thirds share.

In the canned cat food market, the 9-Lines brand is No. 1, with a 1978 market share estimated at about 27%, up about five percentage points over 1977. Square Meal, 9-Lives soft, moist entry, is No. 2 in that segment behind Purina's Tender Vittles.

Total measured media spending for the 9-Lives line was $5,300,000 in 1978, with most of it going to network tv support for canned 9-Lives.

■ The Ore-Ida subsidiary went national in 1978 with Country Style dinner fries in a three-pound package, after test marketing the product in 20% of the U.S. The Ore-Ida line has about 46% of the frozen potato market in pounds, and a 51% share of dollar sales. Ore-Ida frozen potato products were backed by $6,940,000 in measured media, primarily in network tv.

La Pizzeria, Ore-Ida's premium frozen pizza, continued to expand its market area. It is now No. 1 in a number of its markets.

The company also reported success with its Mrs. Goodcookie brand of frozen ready-to-bake cookies. The chocolate chip variety was No. 1 in its category in the 80% of the country where Mrs. Goodcookie is sold, and the new peanut butter version, introduced in September, 1978, now ranks No. 3.

■ Ad spending for Weight Watchers, acquired for about $71,000,000 in October, 1978, was $3,923,600. Weight Watchers switched agencies from Ted Barash & Co. to Doyle Dane Bernabach after the merger.

In May, Heinz and Campbell Soup Co. announced the out-of-court settlement of a controversy begun in 1976 when Heinz filed a suit charging Campbell with monopolizing the wet-soup market. Campbell maintains an 80% lock on the billion dollar market.

A Campbell countersuit charged Heinz with unfair food selling practices, claiming it would not sell ketchup unless other foodservice items were also purchased. The case had been scheduled for trial in September. Details of the settlement were not disclosed.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	**$ 2,557,700**	**$ 2,526,400**
Magazines	**1,779,100**	**849,900**
Spot tv	**8,469,200**	**5,262,900**
Network tv	**29,487,300**	**28,926,200**
Spot radio	**239,600**	**270,000**
Outdoor	**82,660**	**9,700**
Total measured ..	**42,615,500**	**37,845,100**
Unmeasured......	**31,495,500**	**27,954,900**
Estimated total ...	**74,111,000**	**65,800,000**

HEINZ U.S.A.

MARKETING PERSONNEL

Tomato Products, Pickles, New Products Division

D. W. Sculley, vp
T. J. Healy, genl mgr, grocery tomato mktg
W. H. Van Duzer, genl mgr, food service tomato mktg
R. C. Roussey, genl mgr, grocery pickle/vinegar mktg
J. A. Gordon, senior mgr, adv

Processed Foods Division

C. D. Harmann, vp
R. E. White, group product mgr
R. H. Sanks, group product mgr

Sales Division

W. V. Costello, vp
T. R. Jonell, genl mgr, food service sales
Jon Peterson, genl mgr, grocery sales

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—ketchup, pickles, relishes, baby food—Jackson Brown, acct super.

Ketchum, MacLeod & Grove, Pittsburgh—57 sauce, barbecue sauce, vinegar, Blend fruit drink, corporate and U.S. pr—Barry Mayer, acct super.

Grey Advertising, New York—gravies, new products—John Grace, acct super.

Tracy-Locke, Dallas—new products.

Warwick, Welsh & Miller, New York—vegetarian beans, pork 'n' beans.

STAR-KIST FOODS

MARKETING PERSONNEL

J. J. Real, president
R. L. Scharer, vp-mktg
John Kerr, mgr, adv/sales promo
A. A. Ayotee, natl sales mgr

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Alan Yurman, mgmt director.

The Norton Co., Los Angeles—Tim Norton, president/acct exec.

ORE-IDA FOODS

MARKETING PERSONNEL

Richard A. Blott, vp sales/mktg
Wayne Durfey, genl mgr, food service
William S. Bradbury, genl mgr, retail mktg-formulated products
Dietmar Kluth, genl mgr, retail mktg, current products
M. Vince Shaar, genl mgr, retail sales

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Jerry Brody, acct super.

Foote, Cone & Belding/Honig, Los Angeles—Hugh Duncan, acct exec.

The Norton Co., Los Angeles—Tim Norton, acct exec.

Heublein Inc.

	1978	1977
Sales	**$1,620,112,000**	**$1,550,902,000**
Earnings ...	**56,529,000**	**41,568,000**
Advertising	**118,000,000**	**106,459,200**

Heublein Inc., Farmington, Conn., the 33rd largest national advertiser, increased its ad spending about 11% in 1978 to an estimated $118,000,000. Measured media spending was $79,235,400, up from $68,491,000 in 1977. Income increased 35% to $56,529,000 for the fiscal year ended June 30, 1978, as sales climbed 4% to $1,620,112,000.

For the liquor industry as a whole, 1978 was a landmark year. Huge ad campaigns by numerous marketers, combined with a demographic trend that finds the "youth market" of yesterday turning from soft drinks to alcoholic beverages as it matures, helped raise total consumption to a record 446,000,000 gallons. The increase of 3.1% from 1977 was double the gain over the preceding year.

Reflecting this trend, Heublein's beverage sales totaled $923,800,000, up 10% from last year. For the company's Spirits Group, 1978 was a record year in sales and total cases shipped; the latter was up almost 10%.

■ Smirnoff vodka continued its strong growth with U.S. shipments for the year up 3%, to a total of 6,500,000 cases. Retail sales increased at an even faster rate. Smirnoff advertising emphasized the ubiquitousness of the spirit in a series of scenes created by some of the world's most famous photographers, including Irving Penn and Helmut Newton.

In July, Joseph E. Corr joined the company as vp-marketing for the Spirits Group. Mr. Corr had most recently served as director of national accounts and merchandising at Philip Morris.

In the fall, Heublein introduced Vaklova, an imported liqueur, called by company spokesmen "a super-premium product with a rich heritage." To start the brand off on the right track, the company went straight to the heart of the upscale market, directing advertising at the metropolitan, sophisticated drinker via ads in magazines like *The New Yorker* and *Bon Appetit*.

■ The company attempted to increase its commanding lead in the prepared drink market with its new Louis and Gilbert Hotel cocktails. The brand, which was product tested in Southern California in the fall, retailed for about $1 and was available in six varieties: Whisky sour, strawberry daiquiri, tequila sunrise, strawberry margarita, screwdriver and margarita. The line is named for Louis and Gilbert Heublein, the company's founders.

F. William Free & Co.'s Tactical Marketing Group, a unit formed last year to concentrate on launching new products and rejuvenating existing ones, provided much of the strategy behind the Hotel line.

In January, 1979, Heublein's outdoor agency, Asch Advertising, teamed up with Castor Spanish International to produce Smirnoff's first outdoor appeal to the Hispanic market, placing the vodka ad in Spanish on New York's bus shelters. Simultaneously Heublein spnsored a Miss Black Velvet contest, the finalists of which appeared in the January editions of national magazines.

Also in January, the company's marketers spent three days "brainstorming" with personnel from the company's agencies. Taking both category and consumer approaches, the confab participants considered questions like: What's new in Scotch? How are people responding to new flavors? What are the best opportunities for product development right now?

■ Mr. Corr, speaking of the meeting, told ADVERTISING AGE: "This was the first time we've ever had a session like this and, from now on, we're going to do it every six months. It's a great opportunity for us all to philosophize about this industry and try to determine why certain things happen in the marketplace."

In March, several Southern California vintners, including Heublein's United Vintners, received state approval to produce "soft wines" with alcoholic content as low as 7% (most wines have 12% to 13%) on an experimental basis through March, 1980. The vintners had sought approval from the California Dept. of Public Health, which issued temporary waivers of the state's no-less-than-10%-alcohol rule for wine-making.

THE PROFIT INGREDIENTS FROM HEUBLEIN.

Heublein's Grocery Products group pushed its products to the trade in 4-color spreads. Its Ortega line is growing faster than the rapidly growing Mexican food area.

In Heublein's food operations, the Grocery Products Group turned in another record performance, with sales of $117,760,000. Revenues of the Food Service and Franchising Group declined for most of the year, but Kentucky Fried Chicken registered an average 14% sales gain per store. Total revenues from food operations were $423,700,000, down 13%, while operating income increased 7% to $32,900,000.

■ Kentucky Fried Chicken continued to use the advertising theme "It's so nice to feel so good about a meal," adopted in 1977. The ad program was developed by Young & Rubicam when it replaced Leo Burnett Co. as the agency for the national system.

About 90% of the franchisees and all of the company stores used the national theme material in local advertising campaigns. Tinker, Campbell-Ewald handles local advertising for the 750 company-owned stores.

Continuing with its remodeling program, KFC also moved to encourage more franchisees to remodel. During the year, it announced an incentive program that would return to franchisees up to $10,000 for each store remodeled to the new image before Oct. 31, 1980.

Heublein's Grocery Products Group continued to emphasize its Ortega Mexican food business last year and continued to market to the retail grocery and food service trade through separate marketing and sales groups.

Ortega continued to outpace the rapidly growing Mexican food market, with advertising of Ortega tacos playing a key role in that growth. In late 1978, Ortega began advertising its new "cushion pack," which reduces shell breakage. Total grocery products ad spending during the year reached the $10,000,000 level for the first time, an increase of 33% over 1977.

■ As beef prices rose, A.1. sauce launched an ad campaign with the theme, "A.1. makes every bite count," simultaneously employing broad-scale consumer couponing and trade promotions to keep the meat tenderizer growing against the competition.

Heublein enlisted the help of a newly formed market research company to investigate the buying patterns and cultural nuances of the Latino market. Loretta Adams, president of Market Development, San Diego, Cal., conducted research into the expansion of existing products in the Latino market, which she viewed as still "virtually untapped."

Special marketing programs spurred the growth of the Grocery Products Group. New Mexico's famed auto racing brothers, Al and Bobby Unser, who have long been associated with Mexican foods, traveled as Ortega's spokemen during the brand's marketing expansion. Spanish-language radio and tv spots supported Ortega's refried beans, a new product.

Another endeavor that proved successful was the separate Foodservice Sales and Marketing units, established to boost sales to the restaurant and institutional food trade.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	**$5,003,900**	**$4,500,000**
Magazines	**17,233,900**	**14,818,200**
Spot tv	**18,806,800**	**20,409,000**
Network tv	**27,124,200**	**20,498,700**
Spot radio	**3,450,000**	**1,496,000**
Network radio	**661,200**	**262,400**
Outdoor	**6,955,400**	**6,507,200**
Total measured ..	**79,235,400**	**68,491,500**
Unmeasured......	**38,765,000**	**37,967,700**
Estimated total ...	**118,000,000**	**106,459,200**

MARKETING PERSONNEL

Stuart D. Watson, chairman
Hicks B. Waldron, president
Christopher W. Carriuolo, exec vp
John A. Powers, senior vp-alcoholic beverages
Paul R. Dohl, vp-group exec, spirits group
Robert A. Martin, vp-group exec, wines group
Michael A. Miles, vp-group exec, food service & franchising group
Barry M. Rowles, vp-group exec, intl group
Robert R. Weiss, vp-group exec, grocery products group
Joseph M. McGarry, vp-communication & public affairs

Spirits Group

John A. Powers, senior vp-alcoholic beverages
Paul R. Dohl, group exec
Joseph E. Corr Jr., vp, mktg
P.A. Papadopoulos, vp, product mgmt
W.C. Bennett, vp, admin & planning
A.E. Bourassa, vp, mktg services
Bette Rosenblatt, media services mgr.

Wines Group

John A. Powers, senior vp-alcoholic beverages
Robert A. Martin, group exec
Robert M. Furek, vp-genl mgr, premium wines
Harold G. Spielberg, vp-genl mgr, standard wines
George T. Eisenberg, vp-genl mgr, retail sales

Grocery Products Group

Robert R. Weiss, group exec
Harry F. Lavo, vp-mktg
R.B. Schlossberg, mktg director, retail sauces & condiments
P.W. Lamonia, mktg director, foodservice

International Group

Barry Rowles, group exec
Gerald McNamara, senior vp-beverages
Thomas Frank, senior vp-food

Food Service & Franchising Group

Michael A. Miles group exec
Richard P. Mayer, senior vp, mktg, planning & devel
Lawrence M. Krueger, vp-mktg

Zantigo Restaurants

Stephen G. Immel, president

ADVERTISING AGENCIES

Marschalk Co., New York—consumer products adv: A.1. steak sauce, Grey Poupon Dijon mustard, Regina wine vinegars and cooking wines, Snap-E-Tom tomato cocktail, Ortega Mexican foods (tacos, chiles, beans and sauces). J. Johnson, senior vp, mgmt service director Michael Krugman, vp, acct super, sauces and condiments; Peter Balint, vp, acct super, Ortega Mexican foods; Frank Mangan, acct super, new products.

McCann-Erickson, New York—Heublein cocktails, The Club cocktails; Don Q. Puerto Rican rum; Lancers Rose, Vinho Branco and Rubeo imported table wines; Kiku Sake. Michael Sennot, Stephan Norgia, mgmt supers.

Tinker, Campbell-Ewald, New York—Smirnoff vodka; Smirnoff Silver vodka; Yukon Jack Canadian liqueur; Boggs Cranberry liqueur; Relska vodka; Popov vodka; Vaklova imported liqueur; Arrow cordials; Beaulieu Vineyard wines. John Dauer, acct super.

F. William Free & Co., New York—Jose Cuervo tequila; Black Velvet Canadian; Black & White scotch; Matador tequila; McMasters Scotch and McMasters Canadian; Malcolm Hereford's Cows; Irish Mist imported liqueur; Jeremiah Weed bourbon liqueur. F. William Free, chairman.

D'Arcy-MacManus & Masius, New York—Harveys Bristol Cream, Harveys other ports and sherries. A. J. Roby, acct super.

Castor Spanish International, New York—Smirnoff vodka; Don Q. Puerto Rican rum, Jose Cuervo tequila; Black Velvet Canadian. Castor Fernandez, president.

Noble y Asociados, Newport Beach, Cal.—Spanish-language consumer products advertising. Richard Dillon, president.

Charnas Advertising, East Hartford, Conn.—retail grocery trade advertising. Robert Charnas, president.

Ketchum, MacLeod & Grove, Houston, Texas—grocery products food service advertising. Lance Goodwin, senior vp, mgmt super.

Tinker, Campbell-Ewald, New York—KFC company-owned outlets. Brian Staper, acct super.

McCann Erickson, San Francisco—Inglenook, Annie Green Springs, Colony, T.J. Swann and Jacare wines. Ralph Usina, mgmt super.

Young & Rubicam, New York—KFC national co-op adv. John P. McGarry, senior vp, mgmt super.

International Telephone & Telegraph Corp.

	1978	1977*
Sales	$15,261,178,000	$13,183,226,000
Earnings	662,000,000	552,000,000
Advertising	122,700,000	104,699,000

***Restated**

International Telephone & Telegraph Corp., the 28th largest national advertiser, increased its U.S. ad spending about 17% to an estimated $122,700,000 during 1978.

Worldwide ad spending, which ITT execs had originally planned to hike by 20% to $170,000,000, actually came closer to $185,000,000 in 1978.

Once again, ITT-Continental Baking Co. consumed the bulk of the advertising and promotion expenditures, with $28,000,000 in measured media and additional millions in unmeasured media, chiefly p.o.p.

Various other ITT entities contributed to the ad spending boost, with O.M. Scott & Sons and Sheraton Corp. spending another $11,000,000 or more. Hartford Insurance Group, ITT Telecommunications, Morton Foods and ITT Rayonier allocated more than $9,000,000 for measured media alone.

■ ITT, whose global sales climbed nearly $2.7 billion to $19.4 billion when insurance and financial results were included, has five basic business fields. They are telecommunications and electronics ($5.6 billion in sales last year), engineered products ($4.9 billion), insurance and finance ($4.1 billion), consumer products and services ($3.6 billion) and natural resources ($1 billion).

In percentage terms, telecommunications/electronics represented 29% of total ITT sales, followed by engineered products (like Koni shock absorbers and ITT Grinnell pipe, valves and fittings) and insurance/finance (Hartford Insurance Group, for instance).

Consumer products, from foods and hotels to lawn care and book publishing, accounted for 19% of global revenues, while natural resources (including ITT Rayonier) added another 5% to the total.

■ Within the consumer units—encompassing ITT-Continental Baking Co., Sheraton Corp., C&C cola, Bobbs-Merrill and a few others—the food products operations once again hit record earnings levels. Food sales reached $1.7 billion as income reached $29,000,000.

As for Sheraton, that unit "surpassed all previous earnings records" during 1978; it now has 402 hotels and motor inns in 42 countries.

Wonder, 1 billion loaves of which were sold last year, continues to grow in volume and market share despite a declining bread market, according to Continental Baking execs.

■ A major new product, introduced via Grey Advertising, was Fresh & Natural, positioned in several test markets as a delicious tasting bread made only with natural ingredients. Its measured support last year surpassed $823,000.

The Home Pride brand name was expanded last year to include an English muffin line in at least three states; that was given $363,000 in measured backing while the Home Pride bread was budgeted at $4,530,000.

Among its other breads, ITT spent $2,516,000 on Fresh Horizons, $460,000 on Braun's and $87,000 on Roman Meal bread. Town Talk, including bread and other baked goods, spent $227,500 last year.

ITT-Continental Baking and two agencies, Needham, Harper & Steers and Grey Advertising, last fall asked the FTC to kill subpoenas seeking more information about Fresh Horizons advertising.

■ But early this year, the FTC pressed the advertiser to agree to a consent order requiring future advertising for all baked goods to disclose when ingredients are in a product that consumers would not normally anticipate in food. In Fresh Horizons high fiber bread, that ingredient was pulp derived from wood sources.

Of the Continental Baking measured spending total, Wonder bread alone accounted for $5,700,000, while the Hostess snacks line was allocated almost $11,000,000. Hostess cakes alone spent $4,100,000-plus.

Hostess continued to hold the sales leader position in the national snack cake market, with runners-up varying by region. The closest competitors include Dolly Madison snack cakes from Interstate Brands and the regional Drake brand from Borden. According to ITT, Hostess cakes sold 1.7 billion units during 1978.

■ Hostess continues to be a major national advertiser in DC, Marvel and other national comic book groups, featuring such characters as Superman, Batman, Wonder Woman, Casper, Sad Sack and others in the ads.

Continental Baking continued to be a cosponsor, with Mattel Toys, on the off-network "Archies" cartoon tv reruns, promoting Wonder and Hostess products. Vitt Media International handled the clearances as it has done with the ITT corporate vehicle, "Big Blue Marble."

Hostess continued for the fourth year its successful baseball card on-pack promotion during the spring and summer months, switching to "Wacky TV Cards," spoofing popular kid-oriented tv programs, for the important fall "back to school" period. (Early last year, Wonder bread offered "Close Encounters of the Third Kind" trading cards as its major premium offer.)

Not included in Continental Baking's measured spending is the "considerable" amount spent yearly on placing, upgrading and maintaining an extensive in-store display rack system and p.o.p. support for its various premium offers.

■ During the spring, the ITT division reentered test with Continental Kitchen Flavor Seal entrees in retort pouches, a shelf-stable package. A line of seven entrees was placed into Atlanta and Columbus, O., backed with multi-media advertising via Ted Bates & Co.

The pouches were first marketed in late 1977 in three test markets but were withdrawn when the company could not keep up with consumer demand.

The item is a meat-based meal formulated without artificial color, flavors or preservatives in a vacuum-sealed, flexible pouch.

In other food operations, the Morton division spent $2,000,000 in 1978 measured media while Gwaltney spent $184,000.

Frozen Steak House platters received $1,600,000 of the Morton budget, with the remainder backing the Morton brand on frozen dinners, main dishes, donuts, muffin rounds and pies, all via Grey.

Morton also began national distribution of its new desserts line which includes a single-service cheesecake.

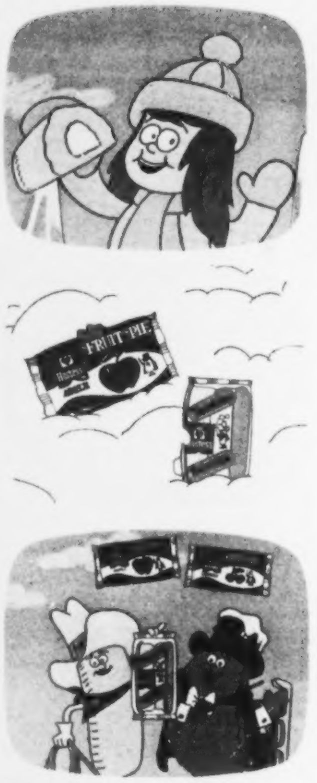
■ Gwaltney expanded its geographical coverage significantly during the year to market products from Maine to Florida.

Great Dogs chicken franks, Big 8 franks, Williamsburg bacon, Smithfield hams and other meats shared media spending. This division began 1978 with a new agency, when D'Arcy-MacManus & Masius won the $1,000,000 account from Bates.

C&C cola, marketed by Cantrell & Cochrane, spent nearly $700,000 on media advertising last year on tv and radio and in newspapers. More than 225,000,000 C&C cans were sold in New York alone, its oldest market, where the brand claims third place in cola sales.

Rolling out during 1979 to Baltimore/Washington and California markets, C&C continues to focus on why it "tastes great and costs less" than rivals Coke and Pepsi.

■ The other big spenders in the consumer products and services group were O.M. Scott & Sons, which poured $7,300,000 into measured media last year; Sheraton Corp., spending more than $4,000,000; and Hartford Insurance Group, at $2,400,000.



ITT's Hostess fruit pies and Twinkies were promoted to children in animated commercials. The entire Hostess cakes line received over $4,000,000 in 1978.

Scott said it boosted advertising and promotion expenditures last year to maintain its leadership role in the estimated $150,000,000 lawn care market. More than $5,000,000 of its media budget was allocated to the Turf Builder lawn fertilizer and Turf Builder Plus 2 weed-and-feed product.

In an acquisition agreement announced earlier this year and compatible with its Scott operation, ITT said it planned to acquire W. Atlee Burpee Co., Warminster, Pa., from General Foods.

■ Boston-based Sheraton Corp. screened eight agencies last year before Creamer Inc., New York, won the account, succeeding BBDO's Quinn & Johnson in Boston.

The Hartford accounts for nearly all of ITT's insurance/financial category ad spending, or about $2,800,000, with ITT Consumer Financial Services spending $294,000 on its loan services.

The No. 7 U.S. property and casualty insurer, Hartford Insurance continued to emphasize the importance of loss prevention in its advertising, using actual case histories to support the theme, "The best protection is prevention."

The live stag emblem remained highly visible in the tv commercials, which turned up on such shows as NBC's "Kitty Hawk" special, "Big Events" and the repeat of "Tut: The Boy King" last year, as well as on CBS' "The Word" miniseries. The insurer also used business and news magazines.

■ ITT has had mixed results following the U.S. introductions of European cosmetics products. In mid-1978, the company decided to withdraw the popular priced Rimmel cosmetics after two years (and $113,000 in measured spending in '78 alone).

However, ITT's Payot, which entered the U.S. from France last year, is now in 450 stores with Pavlova fragrance and Payot skin care products, with advertising handled by Cathy Cash Spellman, New York. Payot spent $279,000 on advertising in '78.

ITT's book publishing operations spent a combined $230,000 in measured media last year for Audel, Bobbs-Merrill and G.K. Hall titles.

■ During 1978, the company made its debut in the U.S. retail telephone market with the Own-A-Phone line of custom-designed, decorator and futuristic phones. An announced $3,000,000 multimedia campaign, however, has yet to break.

This year, ITT plans to spend $2,000,000 in a campaign breaking this autumn and perhaps $6,000,000 during 1980. Hicks & Greist, the agency for ITT Personal Communications and consumer specialty products, will handle those efforts.

About one-third of the 1,000,000 new phones sold in this country last year were sold by ITT, which also sold 700,000 color tv sets in Europe and an undisclosed number of videocassette recorders and personal computers, all in Europe, through other divisions.

This spring, ITT began a newspaper-radio effort to promote its 11-city long distance service network with a "City-Call will save you money" theme. Advertising via D'Arcy-MacManus & Masius eventually will expand to another 24 cities, ITT said.

ITT Telecommunications chose NH&S to handle its retail phone account in '78. In other agency activity during '78, ITT Financial Corp., Minneapolis, moved to Hughes Advertising from Coleman & Goff.

Within the natural resources unit, ITT Rayonier spent more than $1,500,000 on advertising, with tv spots featuring designers praising rayon as a versatile fashion fiber.

ITT, which also budgeted more than $6,200,000 to bolster its corporate image in measured media last year, continued to sponsor "Big Blue Marble" on tv in the U.S. and 60 other nations as well as the "American Character" featurettes in radio syndications and it helped fund the Metropolitan Museum of Art's "Vanity Fair" costume exhibition.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,276,800	$3,199,000
Magazines	7,568,900	5,655,200
Spot tv	28,734,500	27,090,700
Network tv	16,945,400	15,640,300
Spot radio	842,500	1,386,000
Network radio	141,100	1,059,300
Outdoor	479,900	443,800
Total measured	55,989,100	51,275,300
Unmeasured	66,710,900	53,423,700
Estimate total	122,700,000	104,699,000

CORPORATE MARKETING PERSONNEL

E.J. Gerrity Jr., senior vp-director-corp relations/adv
J.L. Lowden, vp-deputy director, corp relations/adv
K.M. Perkins, vp-deputy director, corp relations/adv
J.P. Jannuzzo, director-adv/sales promo
T.J. Connolly, director-special events/-activities
R.A. Cronenwett, mgr-consumer adv/sales promo services
H.J. Taggart, mgr, special projects, adv/sales promo
M.B. Clifford, mgr, sales promo services

ADVERTISING AGENCIES

Needham, Harper & Steers, New York—corporate—B. Biederman, mgmt super; J. Mason, D. Bigelow, acct supers; J. Friedman, acct exec.

D'Arcy-MacManus & Masius, New York/Los Angeles—data equipment and systems, pumps, wire and cable, intl communications—F. Harvey, mgmt super; D. Bray, acct exec.

Fritchman Associates, Ridgefield, Conn.—telephone directories—B. Fritchman, acct super.

Deutsch, Shea & Evans, New York—corp recruitment adv—J. Crawford, acct super.

ITT CONTINENTAL BAKING CO.

Rye, N.Y.

MARKETING PERSONNEL

Corporate

R.M. Morrow, vp-director of mktg
J. Bates, director-advanced products/new ventures
J. Weiss, director-mktg rsch

Bakery Division

R y Norris, vp-director of mktg
St Herrick, director of bread mktg
Jeff Krulwich, Jerry Morano, product mgrs, bread
Robert Steeves, associate product mgr, bread

MARKETING PROFILES

Honey Sager, brand asst, bread
Doug Jackson, director of cake mktg
Lew de Seife, Mark Dirkes, Judy DeFrank, product mgrs, cake
Frank Sessa, mgr of graphics and design
Anna Zgorska, director of media and budgets
Jeanne Sinnott, media coordinator

ADVERTISING AGENCIES

Ted Bates & Co., New York—Wonder and Home Pride breads, Hostess snacks, Fresh Horizons bread—R. Bruns, exec vp-client services; P.T. Colonel, mgmt rep; H.C. Crowley, acct director; J. Ellington, A.L. Krinsky, acct supers; T. Pulton, S. Glaser, J. Wood, acct execs; J. McMahon, merch super.

Grey Advertising, New York—Braun Baking, Beefsteak Rye, Fresh & Natural bread—R. Schoenfein, exec vp; L. Geiger, mgmt super; F.J. Lee Jr., acct super; B. Freitas, acct exec.

MORTON DIVISION

MARKETING PERSONNEL

J.S. Llewellyn, exec vp-director of sales and mktg
J. Lowerie, vp-director of mktg
W.T. Gildea, director, new products
E.M. Boyle, group product mgr, desserts
R.A. Wilock, group product mgr, baked goods
L.K. Yarbrough, group product mgr, main course
F.W. Hurt, new products mgr
A. Bhandari, product mgr, baked goods
T.L. Cassman, R. Friedman, zone product mgrs
P. DeGeorge, mgr, mktg services

ADVERTISING AGENCY

Grey Advertising, New York—R. Schoenfein, exec vp; L. Geiger, vp-mgmt super; D.A. Hutnick, acct super; B. Martin, acct exec.

GWALTNEY DIVISION

MARKETING PERSONNEL

J. Murray, vp-sales & mktg
S. Granger, mktg director

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, New York—Mark Cooper, vp-mgmt super; J. D. Byrne, acct super.

CANTRELL & COCHRANE

MARKETING PERSONNEL

H. Sieling, vp-mktg

ADVERTISING AGENCY

Catalano & Gornick, New York—C&C cola—V. Catalano, creative director.

CONTINENTAL KITCHENS

MARKETING PERSONNEL

R. Knel, director of mktg

ADVERTISING AGENCY

Ted Bates & Co., New York—G. Boyle, senior vp-mgmt super.

ITT CONSUMER SPECIALTY PRODUCTS

MARKETING PERSONNEL

L. Gervolino, product director, personal communications
J. Sarver, product director, photo products
G. Sehmor, president, Payot North America

ADVERTISING AGENCY

Hicks & Greist, New York—photo products, retail telephones—R. Selden, senior vp-acct director; H. Meyer, acct exec.

HARTFORD INSURANCE

MARKETING PERSONNEL

R. Dove, senior vp-corp relations
W. Sanderson, secretary, director of sales promo
R. Taube, secretary, director of adv
R. Burnham, director of adv services

ADVERTISING AGENCY

McCaffrey & McCall, New York—corp adv—B. Sherman, acct super.

SHERATON CORP.

MARKETING PERSONNEL

S. Front, senior vp-director of mktg
V. Baker, director of adv
C. Murch, mgr-adv services

ADVERTISING AGENCIES

Creamer Inc., New York—domestic adv—H. Pearson, exec vp; E. Weil, acct exec.

Compton Advertising, New York—intl adv—R. Lands, senior vp; P. Hauck, acct super.

O.M. SCOTT & SONS

MARKETING PERSONNEL

R. Donnelly, vp-mktg and sales
T. Seitz, director-mktg

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Turf Builder and other products—W. Cuff, acct super.

Kight-Cowman-Abram, Columbus, O.—ProTurf—S. Christie, vp-acct services.

ITT RAYONIER

ADVERTISING AGENCY

Ross Roy NY/Compton Inc., New York—papermaking pulps, wood chemicals, rayon—Herb Warden, mgmt super.

Johnson & Johnson

	1978	1977
Sales†	$1,991,307,000	$1,713,583,000
Earnings†	144,330,000	129,352,000
Advertising*	134,000,000	91,800,000

†U.S. only *AA estimate

Johnson & Johnson, New Brunswick, N.J., the 24th largest national advertiser, is estimated to have increased U.S. advertising 46% to $134,000,000 in 1978. A big chunk of that increase went to Johnson's Disposable Diapers and o.b. tampons, both of which achieved full national distribution in 1978.

Worldwide advertising for J&J climbed 37.9% to $168,736,000 in 1978, from $122,398,000 in 1977. Sales of consumer products (43.6% of J&J worldwide sales) increased 20.3% to $1.5 billion in 1978, compared to $1.27 billion in 1977.

U.S. sales rose 16.2% to $1.99 billion, with earnings up 11.6% to $144,330,000. U.S. sales for the first three months of 1979 were up 29.3% over the same period in 1978, while earnings were up 36.3%.

Worldwide sales and earnings set new records as sales increased 20% to $3.5 billion and earnings rose 20.9% to $299,060,000.

■ While J&J operates as a group of decentralized companies which manufacture and sell a broad range of products in the health care and other fields, the company is primarily known to the consumer through its baby and personal hygiene products.

In addition to the Band-Aid, Johnson & Johnson and Johnson baby product lines, consumer brand names include Conceptrol and Delfen contraceptive products; Carefree and Stayfree feminine hygiene products; Shower-to-Shower body powder; Reach toothbrush; Tylenol analgesic, and Intensin and Sine-Aid sinus medication.

J&J channels most of its media dollars into network television, which got $64,979,100 or 75.5% of measured ad expenditures in 1978, trailed by magazines (13.6%), spot tv (7.6%), newspapers (2.3%) and spot radio (1%).

About 29% of J&J's ad dollars went for baby products in 1978. Of the $24,512,100 in measured media expenditures, Johnson's disposable diapers got $9,318,800, making it the top spender in the baby products division. The diaper now accounts for 35% to 40% of J&J's consumer product sales, with a dollar growth of 35% in the past year.

■ Ad support for the diaper ($7,310,300 in network tv and $1,875,700 in spot tv) was tripled in 1978 when the diaper (after four years) achieved full U.S. distribution. A heavy network tv effort via SSC&B features Nanny who, as a new mother, explains the absorbent qualities of the product to parents.

In its mature midwestern/east central markets, Johnson's diaper holds about a 20% to 25% share, but both it and leader Pampers have experienced erosion of share from elastic-leg diapers Luvs (P&G) and Kleenex Huggies (Kimberly-Clark).

In October, J&J introduced a new disposable "panty diaper" in Mexico, which touts "soft little elastic" at the legs and "gives perfect adjustment, avoids leaking, doesn't come loose." J&J's new diaper is not available yet in the U.S. and it is not known whether it will arrive here to do battle with Luvs and Huggies.

Johnson's Baby Shampoo got $5,545,200 in measured media support in 1978 ($5,346,900 in network tv), up from the $4,716,100 spent in '77. Advertising continued to aim at an expanded market for the shampoo, with one spot featuring Minnesota Viking quarterback Fran Tarkenton as spokesman.

■ The shampoo people created a bit of a fracas this spring by urging the FDA to set new standards for baby shampoo, arguing that some other brands caused eye irritation. The FDA turned down the request, claiming that baby shampoo problems, real or alleged, don't endanger children's eyes under normal use.

A significant advance in preventive dentistry.
The Reach Toothbrush to help fight cavities.

Reach toothbrush, introduced by Johnson & Johnson in 1977, received more than $4,000,000 in ad spending in 1978.

Other big spenders in the baby products division were Johnson's baby powder, which got $4,794,100 ($4,301,500 in network tv); and Johnson's baby oil, which got $3,041,900 ($2,619,900 in network tv). Spending for both products was stable. Johnson's baby lotion continued to lose ad support ($961,400 down from $1,630,600 in '77), while No More Tangles creme rinse received no measured support, according to Leading National Advertisers.

In March of 1978, J&J Burke-tested a tv commercial in Boston for new Soap & Sponge. The spot says the product consists of "baby soap sealed in two special cleaning sponges" with a scrubbing side. Other new items receiving minimal ad support were Playpath Playthings ($5,800 in magazines) and Johnson's Baby Wash Cloths ($1,400 in spot tv).

In the McNeil consumer products division, the Tylenol analgesic brand got $19,775,600 in measured media dollars (up from $13,365,600 in '77), making it J&J's No. 1 ad spender.

Products include Tylenol tablets, which got $12,288,200; Tylenol Adult Liquid Pain Reliever (new in '78), which got $2,912,900; Co-Tylenol cold medicine ($2,788,000); Children's Tylenol ($1,199,000), and Extra Strength tablets and capsules ($565,600). About 80% of spending was in tv, with the remainder in magazines.

■ In the $750,000,000 analgesic market, Tylenol is the leader, holding a 20% share, followed by former leader American Home Products' Anacin (13%), Sterling Drug's Bayer (10%), and Bristol-Myers' Bufferin (10%).

Tylenol's meteoric rise in recent years has led to turmoil in the analgesic field, with charges of false advertising hurled back and forth among the leaders both in the media and in the courts.

In May, 1978, a U.S. Circuit Court of Appeals upheld a lower court ruling prohibiting American Home Products from advertising that Anacin is more effective than Tylenol because it reduces inflammation, on the grounds that consumers had been deceived about the relative efficacy of Anacin and Tylenol and the deception would continue to injure Tylenol's reputation if the Anacin ads were allowed to continue.

Meanwhile, the National Advertising Division accepted a safety superiority claim for Children's Tylenol as compared to aspirin. Measured ad spending for the children's product, which holds a 3.3% share of the total analgesic market, was $1,199,000 (up from $607,400 in '77), equally divided between magazines and tv.

For the first time in 18 years, Procter & Gamble's Crest has been bypassed as the largest selling health & beauty aid in drug stores, food stores and mass-merchandisers and the culprit is McNeil's Tylenol. Sales of Tylenol topped those of Crest by about $500,000. Compton Advertising is the Tylenol agency.

McNeil's entry in the sinus remedy market, Sine-Aid (with acetominophen), garnered $2,071,600 in ad support, mostly in network tv. The brand holds a 23% share of the $42,000,000 market, which has been growing 5% annually.

McNeil successfully test-marketed Intensin extra-strength capsules as a sister product to Sine-Aid. Intensin ad copy claims "54% more analgesic than the leading sinus tablet," which is Warner-Lambert's regular-strength Sinutab. Measured spending for Intensin was $100,500 in '78.

Warner-Lambert's Sinutab, with a 30% market share, and Smith/-Kline's Sine-Off, at 25%, have both followed McNeil's lead and added extra-strength acetominophen entries.

■ In the health care division, top ad priority went to o.b. tampons, which achieved full national distribution in 1978. Measured spending was $7,210,200 ($4,781,400 in network tv, $1,292,000 in magazines, $1,045,100 in spot tv).

Other big spenders in the division include Band-Aid bandages ($4,759,300) and new Reach toothbrush (introduced in 1977), which got $4,190,400, way up from the $1,182,100 spent in '77.

As the $120,000,000 U.S. sun care market heated up last year with a spate of new introductions, J&J's health care division put $1,215,600 in measured support (mostly tv) behind its Sundown sunscreen, which had been national with no support for two years. Young & Rubicam ads center around the product's staying power "even in the water."

In the Personal Products Co., most support went to Stayfree maxi and mini-pads, which got $12,073,100, making it the No. 2 brand spender behind Tylenol and ahead of Johnson's Disposable Diapers.

Spending for the pads, up from $10,508,000 in '77, was $8,319,300 in network tv, $3,017,800 in magazines and $736,000 in spot tv. Carefree Panty Shields received $4,163,800 in measured ad dollars ($2,460,900 in network tv, $1,582,800 in magazines). No spending for established Modess sanitary napkins was recorded by LNA.

■ In November of 1978, the Personal Products Co. introduced new Assure Natural Fit tampons in Rochester. Assure is described as "the high absorbancy tampon with a difference: It fits!" Unlike J&J's o.b. tampon, which is digitally inserted, Assure has a tube applicator and a deodorant, making it directly competitive with market leaders Tampax, Playtex and Kotex.

Some observers feel J&J missed the mark with o.b., whose market share potential is felt to be at most 10%, and that new Assure, a more mainline entry, might stand a better chance. Ad support, via SSC&B, was measured at $17,500 in 1978.

The new tampon may be on a collision course with P&G's new Rely tampon, however. P&G filed suit in U.S. district court alleging that Assure tampons are an infringement upon its Sure deodorant trademark. P&G also claimed that it has marketed tampons called Sure since 1964 and that it continues to use the name Assure for shampoo and mouthwash.

Also in the Personal Products Co. is Shower-to-Shower deodorant body powder, which received $1,304,600 in measured support, all in tv.

Advertising for Ortho Pharmaceutical's contraceptive products doubled from $621,400 in 1977 to $1,228,600 in 1978, with Delfen vaginal foam getting $891,800, and Conceptrol cream getting $336,800, both in magazines.

In February, 1979, the company acquired Technicare Corp., which manufactures diagnostic equipment in the fields of computed tomography scanning, ultrasonic imagers and nuclear medicine systems. Technicare's principal affiliates are Ohio-Nuclear Inc., Unirad Corp. and Chayes Virginia Inc.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,016,800	$1,122,700
Magazines	11,665,900	10,592,200
Spot tv	6,564,500	4,376,900
Network tv	64,979,100	48,549,800
Spot radio	808,300	1,787,000
Total measured	86,035,600	66,428,600
Unmeasured	47,964,400	25,371,400
Estimated total	134,000,000	91,800,000

JOHNSON & JOHNSON PRODUCTS INC.

Health Care Division

MARKETING PERSONNEL

F. H. Barker, vp, genl mgr
R. J. Neely, natl sales mgr
P. S. Fleming, director, product mgmt
C. L. Hodock, director, mktg rsch, new products
A. C. Rudy, J. L[illegible], R. L. Townsend, product group directors

ADVERTISING AGENCIES

Young & Rubicam, New York—Bill Thompson, acct super—dental floss, sun care, new products, adhesive bandages.

CDS Advertising, New York—Neve Savage, acct super—tampons, toothbrushes, new products.

William Douglas McAdams, New York—Howard Mandelbaum, acct super—professional marketing programs.

PATIENT CARE DIVISION

MARKETING PERSONNEL

E. J. Hartnett, vp, genl mgr
R. A. Wright, director, sales
P. J. Ventrella, director, product mgmt
R. W. Bauer, mktg services mgr
P. J. McIvor, adv mgr
J. K. Hull, promo mgr
E. T. McLoughlin, C. L. Ma[illegible]ola, group product directors
C. F. Gordon, natl field sales mgr/surgical care products
W. M. Mahar, natl field sales mgr/professional care products

ADVERTISING AGENCY

Medical Education Dynamics, East Brunswick, N.J.

DERMATOLOGICAL DIVISION

MARKETING PERSONNEL

J. R. Bodine, vp genl mgr
L. E. Priddy, director of mktg
P. M. French, director, professional relations
W. T. Humphries, mgr, new product devel
D. E. Anderson, D. R. Taylor, product directors

ADVERTISING AGENCY

William Douglas McAdams, New York—W. Wolf, exec vp; W. Bologna, senior vp; H. Mandelbaum, vp.

SPECIAL MARKETS DIVISION

MARKETING PERSONNEL

W. E. Dorsett, vp, genl mgr
R. E. Scott, director, govt mktg
D. P. Owens, mgr, military sales
J. A. Streed, director, athletic products

ADVERTISING AGENCY

Cummins, MacFail & Nutry, Somerset, N.J.—G. MacFail, president.

JOHNSON & JOHNSON BABY PRODUCTS CO.

Piscataway, N.J.

MARKETING PERSONNEL

G. F. Tyrrell, vp, adv services
P. M. Lonergan, vp, genl mgr, toiletries
E. West, vp, genl mgr, disposables
J. T. DeItre, mktg director, disposables
E. M. Selquist, A. P. Sullivan, natl sales mgrs
W. H. Bortree, C. E. LaRosa, D. L. Radeke, J. M. Tassie, product group directors
W. R. Lipsky, director, new products & sales promo
T. F. Gorman, consumer rsch director
M. S. Fink, B. L. Goldblatt, asst consumer rsch directors
S. P. Seiden, product director, baby powder
C. J. Johnson, product director, baby shampoo, NMT creme rinse
R. M. McNealy, product director, baby oil, gift sets
N. A. Lavritano, product director, baby lotion, cream
K. H. Rosenstock, product director, swabs
K. B. Lerman, product director, baby soap, baby bath
C. Frazier, product director, new products
W. T. Begina, product director, disposable diapers
R. M. Irvine, product director, diaper liners, nursing pads
R. C. Hunter, product director, professional products
D. J. Scholes, product director, professional products
S. Sawchuk, medical services

ADVERTISING AGENCIES

SSC&B, New York—shampoo, disposables—Barry Ofstedal, mgmt; Dick Lanley, Glen C. Phillips, acct supers.

Young & Rubicam, New York—powder, lotion, oil—Jim Cobb, mgmt super; C. Ordonez, acct super.

Ketchum, MacLeod & Grove, New York—new products—J. Scowcroft, mgmt super.

McNEIL CONSUMER PRODUCTS CO

MARKETING PERSONNEL

T. E. Gardner, vp, mktg
W. G. Lynch Jr., natl sales mgr
J. B. Ziegler, director, product mgmt
W. C. Egan, group product director
C. D. Simonds, group product director
H. S. Frieze, director, professional marketing
J. R. McGann, sales promo director
S. S. Stautberg, director, communications
J. L. Strickler, mktg rsch director

ADVERTISING AGENCIES

Compton Advertising, New York—D. Dimmock, managing director; T. Lom, mgmt super; R. Hogan, acct super; T. Brennan, J. Sloan, acct execs.

Kallir, Philips, Ross, New York—J. Racik, senior vp; G. Gotta, E. McCarren, acct execs.

McNEIL LABORATORIES

Fort Washington, Pa.

MARKETING PERSONNEL
Pharmaceutical Division

H. W. Browne, vp, genl mgr
J. E. O'Brien, vp, mktg

Critikon Division

M. L. Woodall, vp, genl mgr
D. J. Genter, exec director, mktg

ADVERTISING AGENCIES

Kallir, Philips, Ross, New York—Joe Castelli, acct super.

Sudler & Hennessey, New York—Ed Goble, acct exec.

PERSONAL PRODUCTS CO.

Milltown, N.J.

MARKETING PERSONNEL

M. R. Hayes, president
J. R. Chiesa, vp, mktg
G. T. Root, director, product mgmt
D. P. Fraser, director, mktg rsch
A. C. Krupinski, director, consumer affairs
E. G. Chase, M. H. McGuire, C. S. Naiman, group product directors

ADVERTISING AGENCIES

Young & Rubicam, New York—Modess feminine napkins, Stayfree maxi-pads & mini-pads, Shower To Shower body powder—J. Cobb, mgmt super.

SSC&B, New York—Carefree panty shields, new products—P. LaStayo, mgmt super.

Cadwell Davis & Savage, New York—new product.

JOHNSON & JOHNSON DENTAL PRODUCTS CO.

East Windsor, N.J.

MARKETING PERSONNEL

R. G. Geibman, vp, mktg
B. L. Burnside, director, sales
M. E. Stein, director, worldwide business devel
R. F. Weldon, vp, intl business devel
S. R. Losa, director, new product devel
J. N. Doyle, group product director
G. Norante, D. A. Luckey, W. B. Malone, S. C. Huey, product mgrs
M. B. Littlefield, mkt rsch mgr
W. F. Kirkpatrick, product director

Ceramco Inc.

O. A. Richardson, product director

ADVERTISING AGENCY

Kallir, Philips, Ross, New York.

ORTHO PHARMACEUTICAL CORP.

Raritan, N.J.

MARKETING PERSONNEL

G. V. Parlin, vp, mktg
P. T. Tattle, exec director, sales & product mgmt
D. F. Hale, director, product mgmt

ADVERTISING AGENCY

Kallir, Philips, Ross, New York—John Lamare, contraceptives acct super; Ray Wilhelm, therapeutics acct super.

CONSUMER PRODUCTS MARKETING PERSONNEL

R. B. Miller, genl mgr, consumer products div

ADVERTISING AGENCIES

Kallir, Philips, Ross, New York—L. Palmer, G. Gotta, acct supers.

McCann-Erickson, New York—R. Costello, acct super.

ORTHO DIAGNOSTICS

Raritan, N. J.

MARKETING PERSONNEL

R. G. Nadeau, president
R. E. Karlson, vp, director of mktg
J. P. Rowell, C. L. Wimbley, group product directors
C. H. Cox, J. S. Sumner, sales mgrs

ADVERTISING AGENCY

Summit Communications Inc., Chatham, N.J.

ORTHO INSTRUMENTS

Westwood, Mass.

MARKETING PERSONNEL

J. L. Gallagher, director, mktg & sales
Rodney Raynovich, mktg mgr

ADVERTISING AGENCY

Marketing Dimensions, Wellesley, Mass.

ARBROOK INC.

Arlington, Tex.

MARKETING PERSONNEL

T. E. Taylor, president
G. R. Lucas, vp, mktg
M. Smoler, director, product mgmt
J. D. Terry, vp, sales

ADVERTISING AGENCY

J. R. Druid Associates, New York.

CELLULOSE PRODUCTS CORP.

Milltown, N. J.

MARKETING PERSONNEL

L. W. Bateman, vp, genl mgr

CHICOPEE

New Brunswick, N.J.

MARKETING PERSONNEL

R. L. Bramson, vp, industrial textile div
C. A. Spalding, vp, converted products div
G. Chapman, Jr., vp, affiliate div
R. I. Munoz, vp, Lumite, Cel-Fibe/Graham, disposable diapers

ADVERTISING AGENCIES

MPA, New York.
Food Group, New York.
Mills, Fife & MacDonald, Des Plaines, Ill.
Klein-Seib, Atlanta.
Hogan-Gazzara, Pennsauken, N.J.

CODMAN & SHURTLEFF

Randolph, Mass.

MARKETING PERSONNEL

J. A. Ciffolillo, vp, mktg
P. E. Thiel, director, mktg services
R. Brandon, adv mgr
K. Reber, mgr, mktg literature

ADVERTISING AGENCY

Grover/Erickson/Durfee, Boston—C. Stuart Grover, acct exec.

DEVRO INC.

Somerville, N.J.

MARKETING PERSONNEL

J. P. Hall Jr., president
T. D. Jones, vp, mktg
R. J. O'Brien, vp, sales

ADVERTISING AGENCY

Keyes, Martin & Co., Springfield, N.J.

ETHICON INC.

Bridgewater, N. J.

MARKETING PERSONNEL

G. C. Hanes, vp, mktg
J. R. Gilbert, vp, sales
J. A. Lent, vp, product mgmt
F. R. Addis, mgr, adv & creative services

ADVERTISING AGENCY

Mel Richman Inc., Philadelphia—W. F. Robertson, acct super.

JELCO LABORATORIES

Raritan, N.J.

MARKETING PERSONNEL

John S. Assenza, president
W. H. Barrett, vp, mktg
H. R. Hamm Jr., vp, product mgmt
T. A. Evans, natl sales mgr
R. W. Jones Jr., group product director
B. V. Wooley Jr., product director, o. r. and anesthesia products
C. Neale-May, product director, i. v. therapy products
V. Tumminello, product director, genl nursing, lab products

PERMACEL

North Brunswick, N. J.

MARKETING PERSONNEL

R. G. Casarella, communications & adv mgr
W. R. Lucas, vp, mktg
W. L. DeNichols, business rsch mgr

PITMAN-MOORE

Washington Crossing, N.J.

MARKETING PERSONNEL

E. L. McConnell, vp/mktg
G. Schmidt, mgr, adv services
C. Roan, natl sales mgr
R. F. Jochen, DVM, mgr, professional services
S. Frick, mgr, surgical & specialty products
F. T. Ruggeri, mgr, distribution
G. K. Horrocks, mgr, small animal products
J. L. Ditmore, mgr, large animal products
D. R. Arnold, mgr, training programs
G. R. Burch, mgr, veterinary school programs

SURGIKOS

Piscataway, N.J.

MARKETING PERSONNEL

T. M. Lane, president
R. K. Gremp, director of merch
J. A. Largey, group product director
E. D. McSweeney, group product director
F. Gage, director of sales

S.C. Johnson & Son

	1978	1977
Sales	**$550,000,000**	**$450,000,000**
Advertising':	**43,903,400**	**48,867,500**

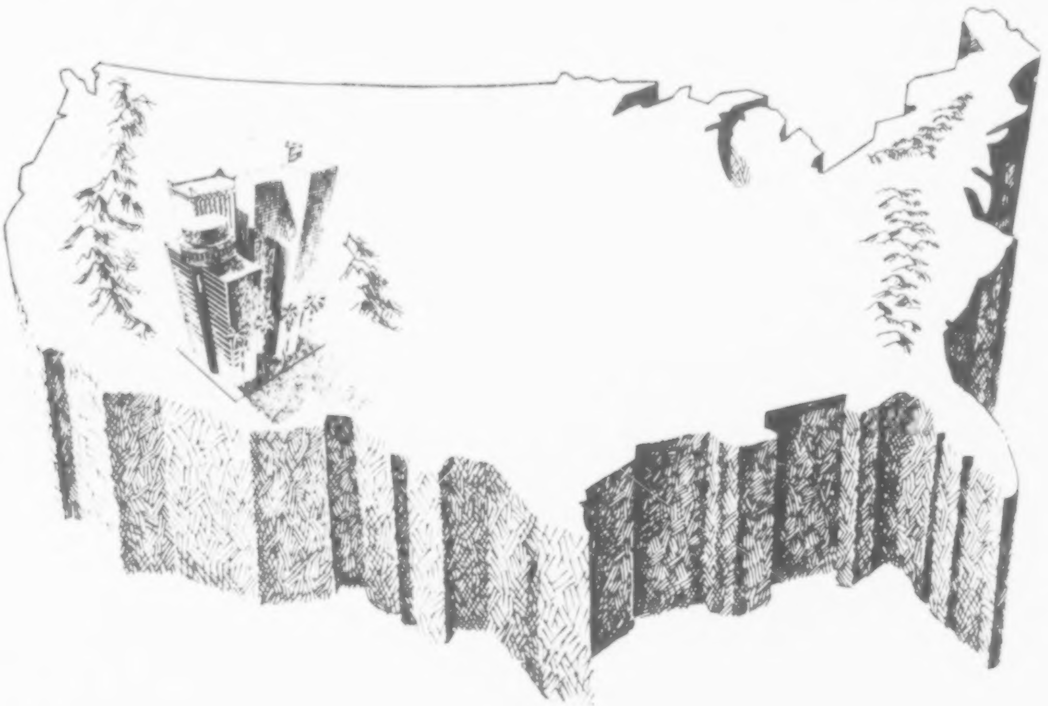
Figures are U.S. only, estimated by AA

S.C. Johnson & Son, Racine, Wis., the 77th largest national advertiser, is estimated to have decreased its advertising spending about 10% to $43,903,400 in 1978.

Despite the new product introduction of Agree shampoo in the summer of 1978, which got massive sampling and ad dollars behind it, spending for Johnson's established brands, with the exception of the Raid line, was sharply cut.

S.C. Johnson is privately owned and does not reveal sales and earnings. ADVERTISING AGE estimates domestic sales at about $550,000,000, for 1978. Total worldwide sales for last year were over $1 billion.

Test the U.S. in Phoenix.



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THE ARIZONA REPUBLIC / *The Phoenix Gazette*

Represented Nationally by STORY & KELLY-SMITH, INC.
New York Philadelphia Atlanta Boston Chicago Dallas Detroit Los Angeles San Francisco

MARKETING PROFILES

Founded in 1886 as a marketer of wood flooring, S.C. Johnson began in 1977 demonstrating its determination to excel in the personal care area as well as in the traditional household products categories in which it has been strong.

The national introduction of Agree creme rinse/conditioner, which rose to the top of the category within six months of its launch, showed that Johnson had the marketing savvy to accomplish this diversification. And in 1978, the company scored another success with Agree shampoo.

Following a test marketing program, in which the new shampoo got an 8.6% share Johnson Wax introduced Agree shampoo to the trade nationally in June, 1978. Advertising, with the theme "helps stop the greasies between shampoos," started last August.

A total ad budget of $30,000,000 for the first year was announced at that time, with $11,600,000 going to sampling, $9,100,000 to trade promotion and advertising and $8,500,000 into media. Through the end of 1978, $3,874,000 was spent in measured media, mostly network tv.

Agree now holds a 6% dollar share of the market, ranking as the No. 3 cosmetic shampoo. Agree shampoo is sold in regular, balsam, protein and oily hair formulas.

■ Another new product from S.C. Johnson that is getting considerable ad spending is Scrunge, a scouring pad/sponge. Scrunge went into test in the spring of 1978 and was rolled out in October. According to the company, Scrunge will get $6,000,000 in ad support in the first year.

Through calendar 1978, $2,273,000 went into media for Scrunge, split closely between net tv and magazines. The company said it is the leading product in its segment of the total market.

Agree creme rinse and conditioner still ranks as the best selling item in that category by units and is No. 2 behind Revlon's Flex in dollar share. Agree's unit share is about 21% and in dollars, about 18%.

The campaign theme "Agree helps stop the greasies," remains from the launch, but the company has more recently been experimenting with magazine ads using testimonials from consumers across the country.

Ad spending for Agree creme rinse/conditioner was sharply down from the introduction in 1977. From a launch supported with between $14,000,000 and $19,000,000 in media, couponing and sampling, (at least $7,000,000 in media) spending reported by Leading National Advertisers for 1978 was at $3,247,000.

■ Early this year, S.C. Johnson did some switching in its agency roster. J. Walter Thompson Co., which is a Johnson Wax agency abroad, picked up its first piece of domestic business from the company. The Chicago office will handle the business. Products moved to JWT included Pledge furniture polish, Edge shaving gel and Step Saver self-polishing floor wax.

Benton & Bowles and Ogilvy & Mather, both New York, ended their U.S. relationships with Johnson Wax by mutual agreement, the company said, due to account conflicts in new product areas, and low billings.

One of the products involved in the move, Edge shaving gel, improved its position in the shaving creme market by moving from a tied position with Noxzema shave creme into a solid second place behind Gillette's Foamy. Ad spending was down to $1,485,000, from $2,095,000 in 1977.

The push for personal care success is significant for S.C. Johnson, because the company had to find new growth categories. The household product areas in which Johnson has been a leader—floor care and furniture care—now are growing at a rate of less than 5% a year, compared with the steady 15% annual growth these categories experienced during the 1950s and '60s. Johnson reportedly has 10 new personal care entries in development and plans to introduce one a year.

■ In the floor care market, Johnson Wax continues to lead and its top seller, Future acrylic floor finish, improved its market share during 1978. Sharing the leadership slot in this market is Lehn & Fink's Mop & Glo. Spending for Future was steady at $2,795,400.

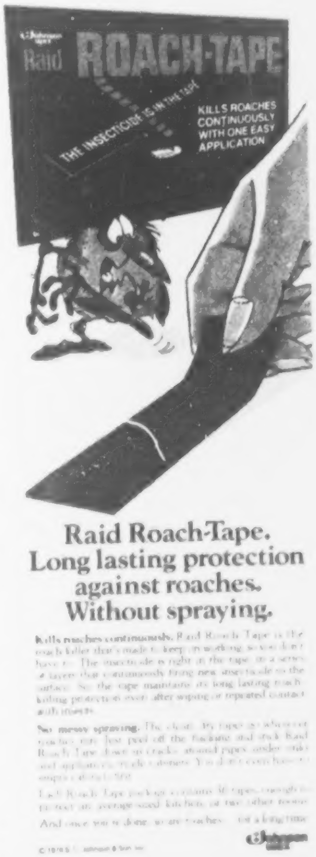
Step Saver, which was originally intended to compete with Mop & Glo, saw its spending cut from $2,354,700 to $1,609,900 in 1978.

In the furniture care area, Johnson Wax also holds the leadership position and its Pledge increased its share this year. Pledge now has close to 40% of the furniture polish category. Ad spending for Pledge declined for the second consecutive year from $5,800,000 in 1977 to $4,668,800 in 1978.

It appears that the company may be phasing out advertising for such brands as Favor and Klean 'n Shine. Spending for Favor furniture polish was cut to $896,900 from $2,330,000 in 1977 and Klean 'n Shine, got only $188,300 in measured media backing, according to LNA. These two products, which were at O&M and B&B, respectively, are now not assigned to any agency.

Glory home rug cleaner also got slashed measured spending figures in 1978, down to about $105,000 from the previous year's total of $1,423,600.

■ Ad budgets in several other categories were cut also. J/Wax car products, though promised a $3,000,000 expenditure for 1978, actually showed about half that sum.


Raid
ROACH-TAPE
THE INSECTICIDE IS IN THE TAPE
KILLS ROACHES CONTINUOUSLY WITH ONE EASY APPLICATION
Raid Roach-Tape. Long lasting protection against roaches. Without spraying.

Spending for Raid Roach-Tapes helped S. C. Johnson & Sons continue to control 50% of the insecticide market with the Raid brand.

Rain Barrel fabric softener and Shout spray soil and stain remover also experienced budget cuts, though Shout's spending is about $2,000,000 annually.

Johnson Wax also is the leading marketer of insecticides and insect repellents. The Off! brand owns the repellent market with about 80% of total sales. Off! towelettes, introduced in 1977, have been very successful for the company. Media expenditures for the Off! brand as a whole were down to $845,700 in 1978 from $1,187,500 the year before.

The Raid brand continues to control more than 50% of the insecticide market on a national basis. Spending for Raid was up in 1978, as the Roach-Tapes alone got $2,226,800 in measured media support. Spending for the total Raid line was about $6,000,000, up from $4,191,800 in 1977.

In the air freshener category, Johnson's Glade has been a market leader in solid and aerosol formulations. Spending for Glade, however, dwindled to $201,700 in 1978 from $1,633,000 in 1977.

■ Other developments at the Racine company in 1978 included a lawsuit filed against Helene Curtis Industries when Curtis introduced its Clean Hair line of shampoos and conditioners. Johnson charged Curtis with false and misleading advertising and simulation of the packaging and labeling of Agree shampoo and creme rinse/conditioner. In an out-of-court settlement, Johnson won changes in packaging and advertising.

Herbert Fisk Johnson, chairman emeritus of the company, and its head for 38 years, died on Dec. 14, 1978.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,120,100	$672,800
Magazines	9,254,300	6,793,700
Spot tv	2,109,300	3,989,500
Network tv	20,548,600	26,101,600
Spot radio	301,300	1,049,000
Network radio	421,700	—
Outdoor	148,100	253,900
Total measured	33,903,400	38,860,500
Unmeasured	10,000,000	10,000,000
Estimated total	43,903,400	48,860,500

U.S. CONSUMER PRODUCTS

MARKETING PERSONNEL

L.R. Peterson, exec vp-U.S. consumer products
J.F. Keane, vp-U.S. consumer products mktg
G.W. Delp, vp-U.S. consumer products sales
F.X. Nolan, director-household product mgmt
A.B. Praemer, director, adv services
R.F. Chay, director, mktg rsch
H.A. Suess, director-new products
W.J. Walley, group product mgr-furniture and floor care
G.L. Konarske, group product mgr-laundry, rug care and air fresheners
T.L. Dahl, group product mgr-personal care products
L.J. Jackson, mgr-new products personal care
C.M. Hardin, mgr-floor care
J.J. Castello, mgr-automotive products
D.C. Henry, natl field sales mgr
Product mgrs L.L. Beebe, L.F. Behringer, H.B. Beighley, J.F. Bleharski, A.J.A. Brown, C.L. Colman, J.I. Costa, J.D. Cuela, D. Garrine, E.W. Gaskell, B.R. Groat, M.C. Habeck, C.L. Meadows, J.C. Miac, C.K. Nitta, E.S. Onnithan, R. Prados, B.M. Pritchard, M.N. Redlin, J.C. Rollins, J.O. Sherer, R.L. Sligh, C.W. Stevenson, B.J. Stone, C.R. Townsend, R.C. VanDriest, R.L. Walker, M.J. Wesnofske
W.C. George, director, sales promo & devel

WORLDWIDE INNOCHEM OPERATIONS

MARKETING PERSONNEL

W. Shavely, exec vp Johnson Wax Associates and Worldwide Innochem Operations
S. Preston, vp & managing officer, Worldwide Innochem Operations
S.W. Cairns, vp & global director, specialty chemicals group
J.C. Moll, vp & managing director, commercial products group-USA
F.C. Chud, director of mktg-commercial products group-USA
R.F. Crowley, mgr special markets devel
J. Thomson Jr., director maintenance products sales
D.E. Davis, nat sales mgr maintenance products
A.J. McMichael, director U.S. specialty chemicals
J.C. Toone, natl sales mgr U.S. specialty chemicals
J.A. Rizzo, mgr-mktg and admin services
R.J. McGray, E.M. Coyle, G.V. Laudato, B. Vora, W.E. Roehrick, mkt devel mgrs

OVERSEAS CONSUMER PRODUCTS

MARKETING PERSONNEL

R.F. Farley, exec vp-overseas consumer products
R.J. Emens, T.L. Beard, overseas sales devel mgrs
T.R. Anderson, G.T. Talbot, overseas mktg rsch mgr

ADVERTISING AGENCIES

Foote, Cone & Belding, Chicago—Raid, Off!, Deep Woods Off!, Future, Scrunge, Glo-Coat, Automotive, Rain Barrel, Gloss 'n Toss—L. Balogh, D. Fox, acct supers

Needham, Harper & Steers, Chicago—Agree creme rinse & conditioner, Agree shampoo, Glade—J. Cerasani, acct super

J. Walter Thompson Co., Chicago—Edge, Pledge, Step Saver—M. Kurz, J. Allman, acct supers

Campbell-Mithun, Chicago—maintenance products, chemical specialty products, Porelon—J. Webster, acct super

Andrews/Mautner, New York—military—N. Mautner, mgmt super

K mart Corp.

	1978	1977
Sales	$11,695,539,000	$9,941,398,000
Earnings	343,706,000	297,818,000
Advertising	250,000,000	210,000,000

K mart Corp., Troy, Mich., the nation's No. 2 retailer and 5th largest advertiser, continued to make ground on Sears, Roebuck & Co.'s leading retail position as it increased domestic ad spending 19%, to $250,000,000 in 1978.

Sales shot up 17.6% to a record $11.7 billion, while earnings also set a new record, rising 15.4% to $343,706,000.

Store expansion continued to be a prime contributor to the company's sales growth. The retailer added 169 new stores and closed 21 last year, bringing the total to 1,496 K marts, 313 Kresges and 82 Jupiters in the U.S., Canada and Puerto Rico. The company has opened 600 new stores in the past three years and now does business in 257 of the 275 Standard Metropolitan Statistical Areas.

■ But it's not just the number of stores—an additional 1,500 are expected to open in the next 10 years—but the placing of the stores that has become key to the retailer's dramatic 20% compound annual sales growth rate in the last decade.

The company has continued to build in the major metropolitan areas, but at the same time it has tapped virtually untouched smaller markets in rural areas by building mini-K marts—stores of either 61,000 or 40,000 sq. ft., instead of the big-city sizes of 90,000 or 73,000 sq. ft.

The company claims it contributed 3.3% of total mass-merchandise sales in the U.S. last year, up from 3.2% in 1977.

In advertising, the company last year continued a policy set in 1977 to emphasize fashion and quality in its product lines—not just low prices. While K mart stuck to a jingle touting it as "the savings place," the ads featured items like women's disco shoes and name-brand major appliances at discount prices.

The bulk of K mart's advertising—about $217,000,000 of it—was unmeasured, consisting of newspaper preprint inserts (about 26 per year), Sunday magazine and run-of-press copy. Most advertising is prepared centrally and distributed to regional ad departments or individual stores which place it locally. In this way, the company maintains a firm hand over ad costs, while assuring continuity in the advertising.

Measured media spending was up about 7% in 1978, to $33,831,300, according to the company, although it still accounted for only 15% of the total ad budget. The biggest increase was in network tv, where spending was hiked 62%, from $5,240,000 to $8,915,000.

Spot radio rose slightly to $3,494,500, from $3,200,000, while network radio spending increased to $2,404,000.

■ Other measured media spending also decreased last year. About $1,000,000 dollars was hacked off the magazine budget, as spending dropped from $4,950,000 to $3,972,200. Spot tv edged down from $15,120,000 to $15,045,100. Outdoor spending dropped to a negligible level of $500, from $1,900.

By category, household furnishings received the heaviest backing in measured media, with the company spending $6,941,100 ($5,644,500 in '77). But the biggest increase came in automotive, where spending leaped from $7,600 to $1,992,200.

Measured ad spending in drugs and toiletries dropped from $377,800 to $174,900; from $32,700 to $500 for food; from $387,000 to $115,100 for men's apparel, and from $411,000 to $73,600 for children's apparel.

But ad investments increased dramatically for women's apparel, from $1,076,000 to $2,745,700, while family apparel spending rose from $328,700 to $692,200. Miscellaneous dropped to $16,501,500 (from $18,605,000 in '77).

■ For 1979, K mart chairman Robert Dewar predicted the company would continue to show financial results above those projected for the rest of the retailing business, even if the widely predicted recession becomes a reality in the second half. In the first quarter, K mart's earnings jumped 32.6%, to $45,590,000, on sales of $2.62 billion. In the first five months, sales soared 15.8%.

In the first quarter, the company forged ahead with its expansion, opening 36 new K marts. At least 180 new stores are expected to open in 1979.

At K mart's annual meeting last May, Mr. Dewar predicted the company's retail earnings would surpass Sears' "within a few years," while a company source said K mart execs are confident that Sears' over-the-counter retail sales lead can also be overtaken in the early 1980s. Sears earned $922,000,000 in 1978, with retail merchandise sales amounting to about $12.5 billion.

ADVERTISING EXPENDITURES

	1978	1977
Magazines	$3,972,200	$4,955,000
Spot tv	15,045,100	15,126,000
Network tv	8,915,000	5,240,200
Network radio	2,404,000	2,101,500
Spot radio	3,494,500	3,200,000*
Outdoor	500	1,900
Total measured	33,831,300	30,600,000*
Unmeasured	216,168,700	179,400,000
Estimated total	250,000,000	210,000,000

*Includes Newspaper advertising
*Revised figure

MARKETING PERSONNEL

E.J. Krentz, director-adv and mktg
R.R. Dejaeghere, director-adv and sales promo
R.M. Mazade, director-creative adv

ADVERTISING AGENCY

Ross Roy Inc., Detroit

Kellogg Co.

	1978	1977
Sales	$1,690,600,000	$1,533,442,690
Earnings	145,100,000	138,191,[illegible]
Advertising*	79,600,000	69,804,[illegible]

*Estimated by AA

Kellogg Co., Battle Creek, Mich., the 49th largest advertiser, boosted its ad budget to an estimated $79,600,000 in 1978, up about 14% over $69,804,300 in 1977.

Sales rose to $1.7 billion in 1978, compared with $1.53 billion the previous year, and earnings reached $145,100,000.

The sales and earnings figures are deceptive, however, because foreign gains contributed heavily to the over-all figures. Earnings in the United States market were down 3% compared to 1977, but were offset by a 127% increase in earnings in areas other than the U.S., Canada and Europe due to higher prices and greater volume.

The FTC has been investigating the leading cereal companies to see if their holdings constitute a

shared monopoly. It seems unlikely the FTC will eventually require divestiture, but the investigation drags on. It has yielded more than 36,000 pages of testimony and "continues to demand much of our management time and financial resources," according to Kellogg chief executive officer William LeMothe.

Kellogg and other cereal manufacturers have also faced stiff consumer attacks on advertising directed at children—especially for presweetened cereals. The FTC has held hearings into whether all advertising aimed at children should be banned.

Consumer reaction to the hearings may have contributed to an over-all decline in 1978 sales of presweetened cereals. Kellogg has stressed more heavily the nutritional value of its cereal products during the past two years.

- One of the company's cereal successes for 1978 was an adult cereal—Most. The high-fiber wheat cereal moved into national distribution in early 1979 after successful market testing. Most received about $1,038,300 in measured ad spending during 1978 and the ad spending for the bite-sized cereal is expected to increase considerably in 1979.

Another product, Graham Crackos, rolled national early this year. Most of Kellogg's cereals maintained the same market shares in 1978 as in the previous year. Sugar Frosted Flakes, Corn Flakes and Rice Krispies continued to anchor the company's cereal sales.

Frosted Flakes, which decreased in market share from 5.2% in 1977 to 5% in 1978, had the largest measured ad spending with $6,592,000. Rice Krispies received $5,473,000 in measured ad spending and also declined slightly in market share to 4.6%.

Corn Flakes received $4,946,000 in measured ad spending and increased slightly in market share to 4.9%. Cracklin' Bran, which controls 0.08% of the total cereal market, had an ad budget of $3,802,700.

- Kellogg expanded other product lines during the year. The Pop-Tarts toaster pastries line gained some new flavors. Danish Rings, tested in Ohio and Indiana markets during 1977, rolled national in January of this year.

Mrs. Smith's Pie Co. operation expanded during 1978 with new varieties of pies, including Light Pie and Lowfat Yogurt Pie for calorie-conscious consumers. A complete line of dessert and entree crepes under the Mrs. Smith's label is currently being test marketed.

Eggo brand frozen waffles set sales records in 1978, and Kellogg's plans to add new flavor varieties and perhaps alter the product's packaging.

The Eggo foods division of Fearn International subsidiary has expanded the market area for its line of commercial food service products, including syrup, mayonnaise, soup bases, salad dressings and gelatins. Fearn expanded distribution of its LeGout entrees, soups and desserts into supermarket deli distribution.

The Salada Foods subsidiary added a canister iced tea mix with a pull-top lid and a low-calorie tea mix. The measured ad spending for Saladà regular tea was $1,341,000.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$4,824,100	$3,125,000
Magazines	2,000,900	3,081,500
Spot tv	22,244,800	17,250,400
Network tv	43,221,600	41,650,400
Spot radio	2,940,000	—
Network radio	171,900	—
Outdoor	11,300	8,300
Total measured ..	75,414,600	66,289,600
Unmeasured	4,135,400	3,514,700
Estimated total ...	79,600,000	69,804,300

MARKETING PERSONNEL

U.S. Food Products Division

A.G. Langbo, president
R.L. Burrows, vp, logistics
R.C. Fox, exec vp, mktg

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Kellogg products, W.T. Lynch, vp mgmt director; D.K. Collins, J.W. Drobnyk, S.E. Cronwall, J.M. Jeness, acct supers; J.E. Holmes, C.H. Curry, D. Heggen, C.A. Marien, M.J. Tobin, T.J. Weizer, C. Stowe, D.J. Fischer, J. Lowenthal, R. C. Hunderfund, acct execs

J. Walter Thompson Co., Chicago—Salada—J.F. Tukey, senior vp, acct mgmt; H.L. Scholnick, vp, mgmt super; M.O. Jurz, acct super

Vince Cullers Advertising, Chicago—Vincent Cullers, president

Wm. R. Biggs Associates, Kalamazoo, Mich.—Wm. R. Biggs, president

Leo Burnett Co. Ltd., Toronto—T.A. Knowlton, exec vp, client services; D. C. O'Kell, J.W. Stephenson, acct mgrs; C. Fish, G. Dent, M.J. Newton, D. Campbell, acct execs

U.S. SUBSIDIARIES

R.L. Nichols, group exec vp, Kellogg Co.
Fearn International, Franklin Park, Ill., D.E. Thompson, president; E.K. Jorgenson, senior vp, sales & mktg
Mrs. Smith's Pie Co., Pottstown, Pa., R.L. Nichols, president; F.W. Krum, senior vp, mktg
Pure Packed Foods, Arlington, Tenn., A.J. Simpson president; R.D. Bateman, vp, mktg

ADVERTISING AGENCIES

J.M. Korn & Son, Philadelphia—Mrs. Smith's products

Leo Burnett Co., Chicago—Eggo products

Kimberly-Clark Corp.

	1978	1977
Sales	$1,910,600,000	$1,725,500,000
Earnings ...	148,800,000	130,700,000
Advertising*	38,139,000	31,076,000

***AA estimate**

Kimberly-Clark Corp., Neenah, Wis., the 81st largest advertiser, is estimated to have spent $38,139,000 on advertising in 1978, up 22.7% over the $31,076,600 spent in 1977.

Sales were up 11% in 1978, the $1.9 billion from $1.7 billion the previous year. Net income climbed 14%, to $148,800,000 from $130,700,000.

First quarter 1979 sales totaled $546,500,000, about 14% higher than the first quarter of 1978, while earnings reached $42,100,000, compared with $38,100,000 in 1977.

Net income from operations in the U.S. rose 20%, to $114,400,000, during the year, while net income from operations outside the U.S. declined 3% in 1978, to $34,400,000. Kimberly-Clark attributed the drop to a decline in Canada.

- Consumer and service products—household and personal care paper products among others—had '78 sales of $1,231,900,000, about 10% over the 1977 figure. Operating profit, at the same time, increased 15%, to $147,500,000.

More than half of the company's '78 ad spending—$22,359,700—went into tv. Kleenex facial tissues, New Freedom maxi and mini pads and Kleenex Huggies disposable diapers were the top tv spenders.

Kleenex facial tissues were backed by $3,631,600 in network tv and $289,000 in spot tv. As in 1977, actress Jo Anne Worley appeared in tv spots promoting the variety of uses for Kleenex tissues.

New Freedom pads, despite having seen net tv spending decline from the nearly $5,000,000 recorded in 1977, still witnessed a considerable amount: $3,228,300 for net and $420,700 for spot.

One new development in the New Freedom brand was the introduction of a rounded-end napkin designed to improve comfort and absorbency. The new product, now being introduced nationally, is considered by the company to be the most significant development in feminine napkins since tabless pads were introduced earlier in the decade.

- The third product receiving considerable tv support was Kleenex Huggies, advertised as "the elastic leg diaper that helps stop leaking." The disposable diaper, now available in 40% of the country, is in-

PPL OPENS NEW U.S.

PROPRIETARY PERFUMES LTD., 50 WILLIAMS DRIVE

At a gala champagne reception, members of the fragrance community joined PPL in celebrating the official opening of our new U.S. headquarters in Ramsey, New Jersey. On hand for the festivities were PPL's chairman, Geoffrey Roberts, and PPL board members from our international headquarters in Ashford, Kent, England.

"The United States has become the world's most attractive nation for investments by international companies . . . We are at home in the United States: a growing company in a growing country."

In his welcoming remarks at the new facility, Mr. Roberts stressed PPL's commitment to assume an even greater role in worldwide fragrance marketing. "Today, the U.S. is home to more than $40 billion in investments by international enterprises. The United States has become, and will remain for some time to come, the world's most attractive nation for investments by international companies.

"We're proud to be a part of the rapidly growing international presence in the United States, a country with an enormous advantage over other nations. The U.S. is a liberal, cosmopolitan society that thrives on human diversity and personal freedom. It is a land of opportunity where ambition, innovation, hard work and economic productivity are rewarded. We feel at home here—a growing company in a growing country."

And we certainly are growing. Already we've increased our U.S. staff by one-third and are predicting an annual U.S. growth rate of more than 20 percent.

We're very proud of our spacious new home.

The three-wing building, situated on more than seven landscaped acres, boasts modern full-scale laboratories, including fragrance and applications labs, testing and quality control laboratories, aerosol, soap and small-scale compounding laboratories. In addition, there is a product library with perfumed products from all over the world, a fragrance library of more than 5,000 perfumes, a vast compounding area and modern administrative offices.

One of the most interesting features of the new facility is its unique charcoal air filtration system. It provides clean air throughout the facility, making for a pleasant, odor-free working environment.

volved in strong competition with Procter & Gamble's premium diaper, Luvs. After Kimberly-Clark first started testing Huggies in Michigan and Wisconsin, in late summer of '78, it opened battle against Luvs in major eastern markets. Both brands are parity priced—about 25% to 30% above Pampers, the leader in the $900,000,000-plus disposable diaper market.

The efforts with Huggies came as the company virtually abandoned its disposable Kimbies diapers and as it moved Kleenex Super Dry diapers, which have wetness indicators, into 30% of the country. Huggies was supported by $2,126,000 in spot tv in 1978.

- Among other products receiving heavy ad support were the Kotex brand of feminine protection products. Kotex maxi and mini pads received a total of $3,316,100 in measured media support, most of it in net tv. Kotex Light Days pads received $1,876,300, against most of it in net tv.

Kotex tampons and stick tampons got $2,329,000, of which $1,383,100 went to magazines; the remainder went to spot tv.

In the $500,000,000 trash bag market, which has been growing at a rate of only 5% a year, Kimberly-Clark introduced Ironsides, "a trash bag with guts," into test in Fort Wayne.

In its first assignment from Kimberly-Clark, Tatham-Laird & Kudner stressed the strength of the nylon-reinforced bags that the company claims can "stand up to sharp and jagged objects." A total of $12,400 in measured media support backed the bags—$9,400 in magazines and $3,000 in spot tv.

If successful in test market, Ironsides would face competition from the current top trash bag manufacturers, Union Carbide (Glad) and Mobil (Hefty), which during the year held 34% and 26% of the market, respectively.

The paper towel category continued to see Phyllis Diller act as spokeswoman for Kimberly-Clark's Thick & Thirsty two-ply paper towel. Measured media support totaled $183,200, all of it going to net tv.

Another K-C paper towel, Hi-Dry, received no reported ad support, but it managed to rack up significant sales figures nonetheless because of its low price.

While developing and maintaining lines in these consumer product categories, Kimberly-Clark is attempting to carve out a market with its new nonwoven fabric called Evolution.

The company in January introduced its entry into the $500,000,000 tablecloth market at the National Housewares Exposition. Known as Cheers, the cloth is being made and marketed for K-C by Straubel Paper Co., and Riegel Textile Corp.

In addition, Kimberly-Clark later introduced Rest Assured, a mattress pad fabric that involves a licensing plan that will get consumer ad support.

- Evolution first surfaced in mid-1977 with radio and newspaper ads backing the brand and the mattress pads manufactured with the fabric. That effort apparently led to the licensing program that carries the Rest Assured name.

Cheers tablecloths aren't being supported by direct consumer ads. The line is being aimed at discount stores and grocery chains.

Major agency switching meanwhile, did not bypass Kimberly-Clark during the year. The chief beneficiary was Ogilvy & Mather, New York, which eventually gained the accounts of Kotex feminine care products and the infant care product lines from Kelly, Nason-Univas.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,066,500	$1,386,000
Magazines	3,543,600	2,920,500
Spot tv	5,904,300	5,426,500
Network tv	16,455,400	12,235,000
Spot radio	4,200	8,000
Total measured	26,974,000	21,976,000
Unmeasured	11,165,000	9,100,000
Estimated total	38,139,000	31,076,000

MARKETING PERSONNEL

Consumer Business Division - U.S.

W. E. Kimberly, senior vp
W. H. Drew, div vp & genl sales mgr
R. S. Fountaine, staff vp, mktg rsch
R. F. Auchter, div vp, infant care products
J. D. Bernd, div vp, household products
P. N. Larson, div vp, feminine care products

U.S. Service Products & Nonwoven Business Division

J. G. Grosklaus, senior vp
J. M. Besser, div vp
L. C. Lofgren, div vp, component products
M. C. Sacher, div vp, service & industrial products
G. R. McGrevin, div vp, health care products

U.S. Newsprint, Forest Products, Service Products & Nonwoven Products

M. F. Gade, exec vp

Newsprint

G. L. Puttock, div vp & genl mgr, Coosa River newsprint, pulp & forest products business div
S. B. Pinkerton, div vp & genl mgr, newsprint mktg & sales, Coosa div

Forest Products

W. R. Ransom, div vp & genl mgr, California forest products business div
H. C. Bleile, sales mgr, California div
L. D. Hogan, div vp & genl mgr, southeastern U.S. forest products business div
R. V. Kramer, sales mgr, southeastern U.S. div
F. G. Comer, div vp, forest products, Coosa div

Neenah Paper Division

A. H. Johnson, div vp
J. O. Skagen, genl mgr, sales/mktg
W. J. Schroeer, natl sales mgr
R. L. Mayotte, mgr, adv/sales promo

Munising Paper Division

R. H. Boehm, div vp
D. R. Kneepkens, div vp, sales/mktg

Schweitzer Division

P. A. Girard, div vp
R. L. Hooke, div vp, sales/mktg, tabacco & paper products
J. W. Tosch, business mgr, dielectric materials
J. P. Callahan, mktg & sales mgr, business & tipping papers
R. C. Klein, dir, new product devel
E. C. Schneider Jr., div vp, fiber operations
J. H. Sweitzer, dir, div mktg rsch
J. R. Grau, business mgr, cigaret papers
N. W. Theme, mktg/sales mgr, long fiber papers

Karolton Envelope Division

R. W. Kohl, div vp
J. H. Werth, genl sales mgr
C. Wiley, mktg mgr
C. T. Muler, mgr, sales promo

Brown-Bridge Division

J. S. Rausch, div vp
D. R. Kneepkens, div vp, sales/mktg
D. M. Sell, genl sales mgr
N. E. Lampron, mkgt mgr

ADVERTISING AGENCIES

Leo Burnett Co., Chicago: household products, New Freedom feminine care products

HEADQUARTERS

RAMSEY, NJ 07446 • NUMBER 17

A second distinctive feature of the Ramsey facility is a specially designed trolley which, driven by the compounder, travels throughout the blending area collecting predetermined amounts of raw material for compounding. The materials are then deposited in stainless steel tanks for mixing and filtering.

In keeping with the dynamic, innovative and highly creative nature of the fragrance industry, the new PPL facility sparkles with an aesthetically stimulating environment.

A large indoor garden connects the laboratory, blending and office areas with a rich variety of greenery and complements the carefully landscaped grounds.

To preserve the natural setting, we had a low building designed, spared as many trees as possible during the initial building stages and planted the grounds heavily after construction. With over 1500 plants, bushes and trees of various species, the building blends in with its rural, residential surroundings.

We're also blending in elsewhere . . . With the cooperation of the Art Center of Northern New Jersey, we're sponsoring a series of art exhibitions in our new headquarters.

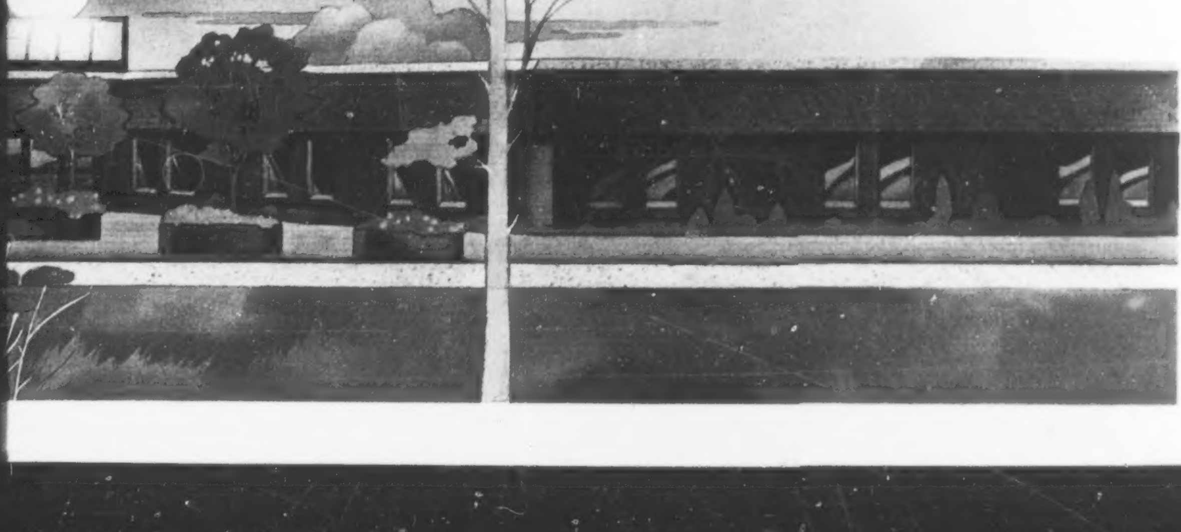
Charles M. Young, PPL's U.S. president, says aesthetic involvement is a reflection of company philosophy. "Art and fragrance both involve creativity. We know how important it is for artists, like perfumers, to be supported and encouraged in their work. This is what we hope to accomplish with our art displays."

Speaking of accomplishments . . . We've been hard at work developing new capabilities to better serve our customers.

Our new U.S. headquarters is just one of a growing number of PPL perfume facilities throughout the world. In addition to our international headquarters in England, we have major support centers in France, Germany and Singapore. We're also expanding our center in Brazil and increasing our chemical manufacturing facility in Ashford.

At present, we process more than 25 tons of perfume daily at our Ashford plant, one of the largest compounding facilities in the world. Our worldwide production has more than doubled since 1968, and this year's figures well exceed budget projections.

The key to PPL's continued success is our unique service package, combining both creative and technical skills with worldwide experience. We understand the role of fragrance in providing our clients with an important plus in successfully marketing their consumer products.



If your direct mail messages fall *flat* . . .

We'll put life into your direct mail . . . with creative action-graphics that grab attention, hold it, and get response! Up to 50% increased response over flat mailings. Challenge us!

Ready to go . . . anytime. Economical, in-stock pop-ups.

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CALL OR WRITE FOR FREE BROCHURE

MARKETING PROFILES

Ogilvy & Mather, New York—Kotex feminine care products, infant care products.

Scannell Inc., Milwaukee—service products industry wipers—Joe Schall, mgmt rep.

Hoffman York, Milwaukee—home furnishings fabrics—Kevin Kasper, acct exec.

Morton Advertising, Portland, Ore.—wood products.

Tatham-Laird & Kudner, Chicago—Ironsides trash bags.

Kraft Inc.

	1978	1977
Sales†	$5,669,900,000	$5,238,807,000
Earnings† ..	184,000,000	154,115,000
Advertising* .	114,166,700	99,000,000

†Worldwide
*Estimated by AA for U.S. and Canada

Kraft Inc., Glenview, Ill., the 36th largest U.S. advertiser, increased its national total advertising by approximately 15% in 1978 to an estimated $114,166,700.

Sales rose for the 17th consecutive year to $5.67 billion, an 8.2% increase over the previous year. Earnings rose 19.4% to $184,000,000.

Kraft reportedly invested $141,300,000 in world advertising in 1978, an increase of 21% over the $116,700,000 invested in 1977. This represents 2.5% of world sales as compared with 2.2% in 1977.

Sales within the U.S. and Canada were $4.68 billion, a 6.6% hike over 1977. Outside the U.S. and Canada, sales rose 16.8% to $991,000,000.

▪ In promoting its retail food group last year, Kraft spent $6,132,300 on multi-product advertising ($4,076,400), its foods division sweepstakes ($1,139,800) and its tv programs ($916,100). The multi-product advertising mainly was seen on network tv. The sweepstakes was advertised in consumer magazines and newspaper supplements only. And the advertising dollars promoting the tv programs were spent on space in consumer magazines.

▪ Two of the company's biggest promotions are the annual Salad Days campaign for pourable and viscous salad dressings and the Family Reunion theme, which was initiated last year.

Kraft calls the Family Reunion theme the "largest and most successful promotion of Kraft retail products in company history." As Kraft celebrated its 75th anniversary, it used this theme to remind consumers that "the Kraft brand name has been associated with the bringing together of good food and families for more than three generations."

Kraft pourable salad dressings, which rank No. 1 in a $400,000,000 market, have been promoted through the Salad Days campaign since 1971. The campaign starts every year around April and runs for about four months throughout most of the country.

It has been supported in conjunction with many produce suppliers, including the California Tree Fruit Agreement, Dole bananas and pineapples, the California Iceberg Lettuce Commission and the National Potato Board. These partners provide ingredients that appear with Kraft products in the ads and they share costs, campaign strategy and advertising ideas. Kraft spent $268,200 in consumer magazines promoting its Salad Days sweepstakes.

▪ Total measured media advertising for salad dressings last year was $7,694,900, with $5,718,200 in spot tv and $1,175,500 in network tv. The remainder was split between consumer magazines ($710,000) and network radio ($90,500).

For the viscous salad dressings, Miracle Whip received $7,150,900 in support and Kraft mayonnaise got $4,668,700, according to Leading National Advertisers.

Most of the Miracle Whip advertising went to network tv ($3,627,000) and spot tv ($2,577,500). The mayonnaise similarly was advertised on spot tv ($2,276,600) and network tv ($1,434,300).

In another joint promotion, Kraft joined with Picante Inc., marketer of Pace Picante sauce, a Mexican style hot sauce, for a newspaper campaign featuring Velveeta cheese spread. The ads ran in the southern half of the country during November and December, 1978.

▪ With the theme, "Hot Dippity!", the ads offered a recipe for "a hearty hot dip ready for dipping in minutes." Measured media support for Velveeta last year totaled $596,300. The portion for newspaper supplements was $31,600 and the rest, $564,700, was spent on ad space in consumer magazines.

Kraft macaroni and cheese dinners were promoted in a sweepstakes featuring the "You know you're going to like it" theme and offering an unusual grand prize: "You pick it!" the ads said. It broke with color page ads in July, 1978, women's magazines and in-store p.o.p. displays.

Over-all last year, the macaroni and cheese deluxe dinners were supported by $2,359,800 in measured media. The bulk of the funds $1,785,400 spent on network tv.

"Bite into the taste of natural fruit" sweepstakes in support of Kraft jams, jellies and preserves offered a variety of prizes to match the choice of flavors. The company spent $208,200 on advertising in consumer magazines.

In a coupon promotion, Kraft supported its cheese products by offering a cheese cutting and serving board for $5.75 and proof of purchase. Color ad pages were seen in April issues of *Family Circle*, *House & Garden*, *Southern Living* and *TV Guide* and the May issues of *Better Homes & Gardens* and *True Story* magazines.

Over-all, Kraft cheese received $10,569,000 worth of advertising support, primarily split between network tv ($4,491,600), spot tv ($3,068,500) and consumer magazines ($1,977,800).

▪ Kraft also sponsored a Premium Ice Cream Program promotion for Breyers, Sealtest and Light n' Lively lines in the Houston and Dallas/Fort Worth markets. And, in a combined merchandising program, Miracle Whip salad dressing, which made substantial gains during 1978 as "The Bread Spread," was teamed with Kraft Singles cheese slices in a Sandwich Days promotion.

A longtime sponsor for tv specials, Kraft sponsorship was extended to many shows in the past year, including the "Country Music Awards" last October, a repeat of "The Gathering" in December on ABC-TV, the Bing Crosby Youth Foundation salute hosted by Bob Hope in January, a Pearl Bailey special on CBS during March and the two-part "Chronicles of Narnia" shown on CBS-TV in the spring.

William Beers, Kraft chairman-chief executive officer at the time the shows were in production, said the company would put "more than $3,000,000" behind the first two "Narnia" shows. The shows were supported by special instructional materials and displays for use in schoolrooms and libraries in addition to extensive multimedia tie-in marketing promotions that, according to the company, "are a regular aspect of Kraft tv specials."

FAST FOOD
STICK SHIFTERS
Garlic
Pasteurized Process Cheese Spread with Garlic
KRAFT

Go from hungry to happy in no time. Just spread Kraft process cheese spread on salami slices and wrap 'em around crispy bread sticks. You're handling Stick Shifters on the road to snappy snacking! (Reusable glass jar, too!)

Kraft cheese spreads were advertised in color fractional ads in women's magazines.

Kraft also sponsors "The Adventures of Slim Goodbody in Nutri-City," a children's health feature series broadcast twice a week on the "Captain Kangaroo Show."

▪ In order to increase the marketing effectiveness of its dairy group, Kraft put that operation this year under the direction of its retail food group, headed by O. Everett Swain, exec vp and chairman of retail food. This move affected the operation of Sealtest, Breakstone and Breyers, which currently is marketed primarily in the eastern U.S.

Kraft spent $7,254,500 advertising Sealtest brands in measured media last year, with the bulk of its dollars in spot tv ($6,952,400). For Breakstone cottage cheese, salad dressings and sour cream, $2,545,100 was spent almost exclusively in spot tv advertising. Breyer's ice cream and yogurt were backed with $6,596,000 in spot tv.

In an as yet unresolved suit filed last year, Kraft is suing the Kitchens of Sara Lee unit of Consolidated Foods for trademark infringement, charging that Sara Lee's Light 'n Luscious name for cakes and yogurt chiffon pies corrupts Kraft's own Light n' Lively trademark and will dilute the value of the Kraft brand.

▪ According to the company, "Kraft's over-all marketing target is eventually to participate in all meals, wherever consumed." Therefore, Kraft has opened seven broadline food service distribution centers, bringing the total to 19. The new offices serve the metropolitan areas of Atlanta, Birmingham, Dallas, Los Angeles, Memphis, New Orleans and Tampa. The company's broadline districts now cover about 60% of the major U.S. markets.

During 1978, Kraft introduced food service portion control cheese products in five varieties: Sharp and mellow cheddar, Muenster, brick and Gouda.

In order to "take advantage of the trend to greater consumer interest in diet and nutrition," the Light n' Lively line of lower-fat, reduced-calorie process cheese products was expanded from test market into national distribution last year. Total advertising dollars for Light n' Lively in measured media during 1978 was $2,319,300 mostly in spot tv ($1,170,000).

Parkay Light spread, a vegetable oil product with 25% less oil than margarine, tested favorably and was put into national distribution in September.

The company introduced several of its products overseas last year: Dips, cheese spreads and imported natural cheeses in Australia; Cheez Treet, a filled cheese spread, in the Philippines; Philadelphia Brand cream cheese in Belgium, and Kraft mayonnaise, sweetened condensed milk and Philadelphia Brand cream cheese in the Canary Islands.

Kraft products receiving measured ad support in excess of $1,000,000 in 1978 included:

- Cheese products with $1,276,300, primarily in consumer magazines.
- Cracker Barrel brand cheese with $2,318,600, also primarily in consumer magazines.
- Grated cheese with $1,251,100, all in consumer magazines.
- Jellies and preserves with $1,467,300, primarily in spot tv.
- Parkay margarines with $5,548,800, primarily in network tv.
- Wrapples caramel slices with $1,190,400, almost entirely in network tv.
- Philadelphia cream cheese, with $1,423,500 split between magazines ($901,500) and outdoor ($522,000).

In June, 1979, John M. Richman replaced William Beers as chairman and chief executive officer of Kraft Inc. According to Dow Jones wire service, Mr. Richman intends to strengthen his company's position in its established markets before tackling the diversification that many business analysts have predicted for some time.

In reference to diversification, Mr. Richman noted that Kraft "can afford to search carefully" before investing and he added, "I think we've got to be prepared to take a few risks. Not everything we touch will turn to gold."

He also pointed out that there is a general lack of awareness regarding the scope of Kraft's work in food service.

"We're building what we hope will be a business of over $1 billion in a few years almost from scratch," he said, adding that Kraft hopes to become the No. 1 national supplier to the food service industry.

Mr. Richman also said Kraft will be exploring expansion opportunities in Europe, the Far East and Latin America.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 5,009,800	$ 5,458,800
Magazines	21,878,900	14,783,400
Spot tv	33,350,600	28,330,400
Network tv	25,979,600	21,153,800
Spot radio	1,876,000	4,623,000
Network radio	1,901,500	2,368,100
Outdoor	1,813,800	646,200
Total measured ..	91,810,200	77,363,700
Unmeasured......	22,356,500	21,636,300
Estimated total ...	114,166,700	99,000,000

CORPORATE MARKETING PERSONNEL

C. R. Green, senior vp-devel, mktg & rsch
C. C. Grinnell, director, corp mktg devel
J. R. Babka, mktg mgr-product devel
D. A. Andler, mktg mgr-product devel
M. J. Barry, mgr, mktg rsch

RETAIL FOOD GROUP

MARKETING PERSONNEL

J. S. Brakefield, vp-director, refrigerated products
W. C. Bourn, vp-mktg, refrigerated products
R. J. Clark, vp-director, adv & creative services
S. R. Gardner, vp-mktg, refrigerated products
H. J. Handley, vp-director, grocery products
N. E. Toft, vp-director, mktg services
W. B. Whitaker, vp-director, sales & sales operations
D. W. Holland, corporate vp-director, consumer affairs
R. J. Miller, vp-mktg, refrigerated products
J. Wilson, vp-mktg, refrigerated products
W. A. Rowe, vp-director, retail sales operations
J. R. Blocki, genl adv mgr
R. K. Powell, product adv services mgr

ADVERTISING AGENCIES

J. Walter Thompson Co., Chicago—R. L. McCullough.

Foote, Cone & Belding, Chicago—R. Westerfield.

Needham, Harper & Steers, Chicago—J. W. Copher.

Proctor & Gardner, Chicago—Rolfe Kolconey.

DAIRY GROUP

MARKETING PERSONNEL

R. F. Zogby, vp, sales & mktg
A. Geoffrey, mktg mgr, frozen products
R. Creighton, genl sales mgr
V. Sidebotham, mktg mgr, cultured products
J. Malcolm, mgr, mktg services
D. Herr, product devel mgr

ADVERTISING AGENCIES

N W Ayer ABH, New York—Sealtest, Breyers, Light n' Lively—Dominick Rossi, mgmt super; Joe Harte, acct super.

Badillo Compton, Puerto Rico—Sealtest, Light n' Lively for Puerto Rico—Angel Collado Schwarz, acct super.

Manoff Geers Gross, New York—Breakstone's products—Spencer Plavoukos, mgmt super; Richard Dilworth, acct super; Cecil Lyon, acct exec.

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MARKETING PERSONNEL

J. L. Barfoot, vp-director, intl mktg
J. R. Blanks, mktg mgr
P. Barnickel, mktg mgr

FOODSERVICE & INDUSTRIAL GROUP
MARKETING PERSONNEL
Foodservice Division

S. A. Metz, vp-director, mktg
J. L. Woods, vp-director, mktg

Industrial Foods Division

F. R. Betzel, vp, mktg & sales, industrial
F. D. Donovan, vp, mktg & sales, retail/foodservice
A. T. Wyrick, vp, industrial
W. P. Miller, agricultural mktg mgr

ADVERTISING AGENCY

Merrill Kremer Inc., Memphis—food products—Ernest Lee, acct super.

HumKo Sheffield Chemical

W. E. Mahoney, vp, mktg
J. H. Allderdice, vp-sales

ADVERTISING AGENCIES

Wilk Conn Co., Essex, Conn.—Robert Wilkerson, acct super.

Conklin, Labs & Bebee, Syracuse, N.Y.—Milton Bebee, acct super.

Aluminum Specialty Co.

J. Waak, vp-mktg
R. E. Keenan, sales mgr, housewares
W. R. Huske, sales mgr, toys

ADVERTISING AGENCY

Biddle Co., Appleton, Wis.—T. A. Ramey, senior vp; E. Anderson, group super.

Metropak Containers

D. B. Ressler, vp, sales & mktg

Universal Packaging Corp.

W. P. Lyle, vp, mktg
L. R. Shupe, vp, trade sales
D. Huke, sales mgr, flexible packaging

Liggett Group

	1978	1977
Sales	$970,695,000	$877,848,000*
Earnings ...	56,820,000	2,604,000
Advertising	68,943,000	57,753,000

***Restated**

Liggett Group Inc., Montvale, N.J., the 58th largest national advertiser, increased its U.S. advertising and promotional budget about 20% to $68,943,000 in 1978.

Liggett's most significant development during the year was its shift away from its cigaret business and toward more diversified consumer products.

- On June 26, 1978, the company sold its foreign cigaret business to the Swiss affiliate of Philip Morris Inc. for $108,000,000 including $63,000,000 in inventory, receivables and other assets relating to the international business. This caused speculation that Liggett would get out of the cigaret business altogether since its Liggett & Myers Tobacco Co. had suffered a 30-year decline of market share, ranking last among six U.S. cigaret makers with only 3.4% of the market.

Cigaret revenues were higher in 1978 because of price increases despite lower unit sales and increased promotional spending, the company said. Sales for the domestic cigaret operations were $284,000,000, equal to 29.2% of total corporate sales. However, operating revenues were only $8,400,000, or 9.4% of total operating income.

The company spent a total of $16,840,000 in measured media, mostly magazines, advertising its cigaret brands. The bulk of the ad dollars went to promote the low-tar cigaret category.

Liggett spent $4,795,500 to advertise its low-tar L&M Long Lights and L&M Flavor Lights and $10,179,900 for low-tar Decade. This included $119,000 for a Decade team tennis championship sweepstakes promotion developed by Bozell & Jacobs and $28,000 for the introduction of a new premium length Decade 100s brand in Oregon test markets.

- Two additional low-tar entries, Lark Lights and Eve Lights, were test marketed in 1978. Lark Lights' distribution has expanded this year. In contrast to the high spending for the low-tar category, no measured media ad spending was reported for Chesterfields, one of Liggett & Myers' oldest brands.

- Late in the year, J. Walter Thompson Co., regained the advertising account for L&M cigarets which it lost to Cunningham & Walsh in 1973. JWT reportedly accepted the account of the troubled cigaret line on a fee system to prevent the agency from losing money. C&W was forced to resign the account due to a conflict which arose when it merged with Chicago-based Post Keyes Gardner, a Brown & Williamson Tobacco agency.

Pinkerton Tobacco Co., Liggett Group's chewing and smoking tobacco unit, produced net sales of $63,769,000, equal to 7.5% of total sales and generated operating income of $18,087,000, or 16.9% of total operating income.

Sales of the chewing and smoking tobacco group remained about the same as in 1977 because price increases were offset by lower unit sales. The company said it would increase its promotional support of its principal brands in this group to meet competitive activity and protect its interest in the business.

In 1978, television and radio were the primary advertising mediums for Pinkerton's chewing tobaccos, including its principal brand, Red Man, the largest selling chewing tobacco in America. Red Man tv commercials featured Terry Bradshaw, quarterback of the Pittsburgh Steelers.

- Spirits and wine sales were 21% higher, reaching $232,340,000 in 1978, equal to 22.1% of total revenues. Operating income reached $43,307,000, or 40.6% of total operating income. Operating income for principal brands, including J & B Rare Scotch, Wild Turkey bourbon, Grand Marnier liqueur and Bombay English gin, was 26% higher, despite what the company termed "considerably higher" promotional expenditures. Measured media spending for those four brands totaled $11,445,300.

During the year Liggett's Paddington Corp. expanded distribution of its Izmira brand of white beet Turkish vodka to a national level with promotional support including $1,491,700 spent in magazines and outdoor advertising.

Late in 1978, Liggett's Austin Nichols & Co. division introduced two new products, Cordial Campari, a raspberry liqueur, and the Henriot line of premium French champagne, and it expanded distribution of Croft sherry and port wines.

Liggett's Carillon Importers Ltd. promoted Grand Marnier liqueur with gourmet cooking demonstrations in more than 1,000 department stores and with a national amateur ski club competition.

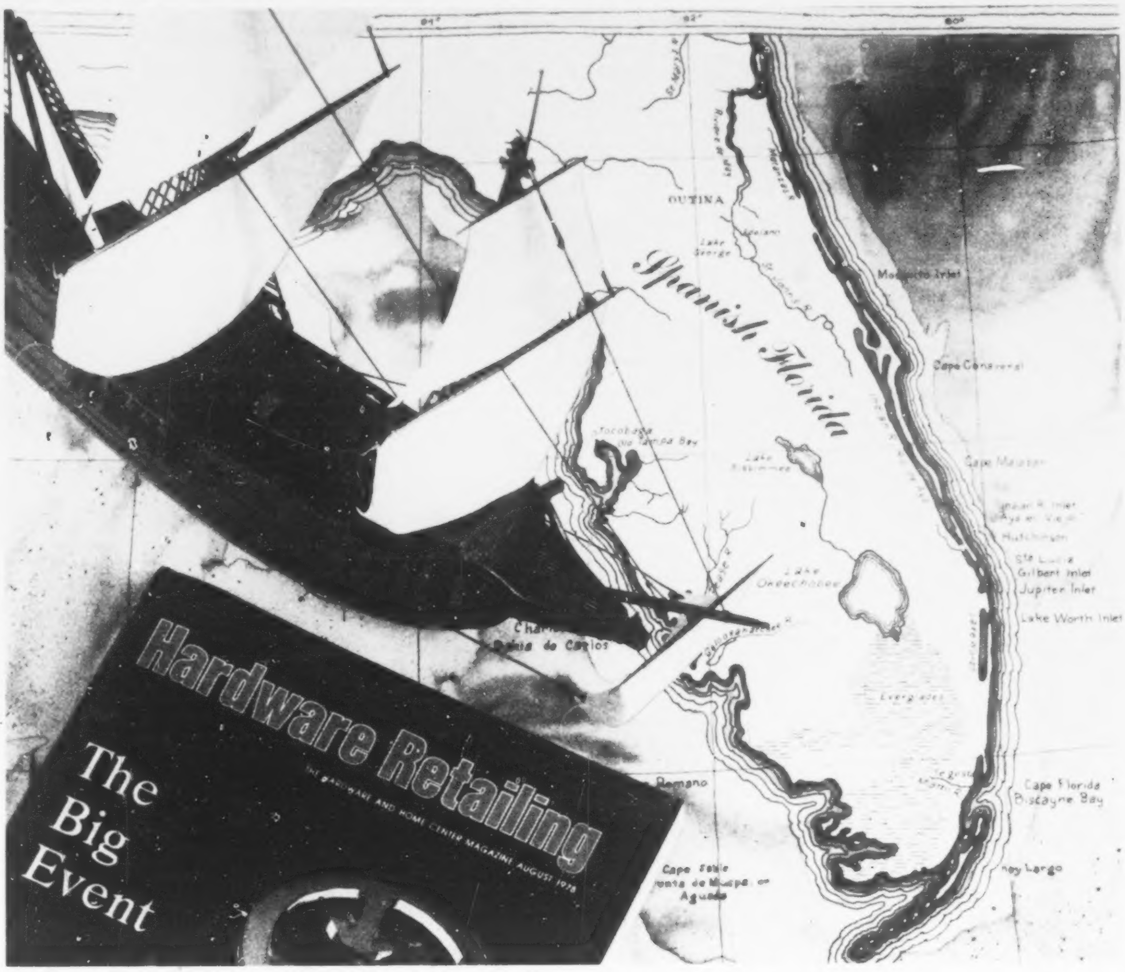
- Sales climbed to a record level of $182,895,000 at Allen Products, Liggett's pet food company, but 1978 operating income was slightly lower at $10,884,000, because of very high promotional expenditures to launch the new Alpo dry dog food, the company said.

It spent $6,887,700 in measured media introducing the new product, largely on network television, with commercials featuring actor Lorne Greene.

- The company also spent more than $5,000,000 advertising its Alpo brand of premium canned dog food, as the company introduced new beef and liver dinners and completed national distribution of Alpo beef chunks dinner. Alpo liver chunks dinner will move into national distribution this year.

The company said pet food sales at Allen Products increased 31% in 1978 because of the new Alpo dry dog food and significant increases in sales of canned Alpo.

Altogether, Liggett spent $14,199,200 in measured media for its various Alpo products. Other



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***Hardware Retailing* is your best space buy in hardlines advertising.**

And advertisers know it. That's why hardlines manufacturers and their advertising agencies place more total pages of advertising in *Hardware Retailing* than in any other hardlines book—1640 pages in 1978.

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Hardware Retailing
THE HARDWARE AND HOME CENTER MAGAZINE
Published by
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MARKETING PROFILES

Allen Products pet food brands include Liv-A-Snaps pet food treats, Bi-Ta-Biscuit dog bones, and Alamo brand dry dog food and Beef By-Products Dinner, a new popular-priced canned dog food.

During 1978, Liggett actively sought to sell Perk Foods Co., its unsuccessful economy-priced pet food subsidiary, following a Federal Trade Commission order to divest itself of Perk. (Liggett sold Perk to CHB Foods, Terminal Island, Cal., in 1979.)

Liggett's other products division, which includes physical fitness and sporting equipment of the Diversified Products Corp; three Pepsi-Cola soft drink bottling franchises; the National Oats Co. line of popcorn and cereals; carpet care products from Earl Grissmer Co; and jewelry products from watchband maker Brite Industries Inc., has a good year over-all, with total group sales of $179,115,000.

- During 1978, the company acquired the Atlantic Pepsi-Cola Bottling Co., Columbia, South Carolina, which more than tripled Liggett's involvement in soft-drink bottling.

As part of Liggett's shift away from cigarets and toward other consumer products, the company's corporate staff relocated from Durham, N.C., to Montvale, N.J., last month to be in the greater New York area.

The company says its primary objectives will be to restructure its present product lines and seek further diversification through acquisitions. The company also is looking for internal growth from its distilled spirits, pet foods, soft drinks and physical fitness products.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$18,994,800	$20,000,000
Magazines	23,081,600	18,596,800
Spot tv	3,368,700*	4,541,900
Network tv	8,917,400*	4,717,700
Spot radio	575,800	406,000
Network radio	677,300	—
Outdoor	9,120,900	6,226,700
Total measured	64,736,500	54,489,100
Unmeasured	4,206,500	3,260,900
Total	68,943,000	57,753,000

***Leading National Advertisers shows $4,678,700 as the spot tv expenditure in 1978, and $12,385,300 as the network tv expenditure, but the actual figures are beleived to be much lower due to quantity discounts. The 1977 figures as reported by LNA have been similarly reduced to allow for discounts.**

CORPORATE MARKETING PERSONNEL

Raymond J. Mulligan, president, ceo
Jonathan W. Old, exec vp, consumer products
Robert H. Fasick, vp, admin & asst to president
Robert B. Seidensticker, vp, tobacco companies
Dan Provost, vp, public affairs
Jim Adams, vp, corp devel
Werner von Pein, corp mktg director, consumer products
Al Giordano, director, mktg rsch
Al Kalish, director, corp adv services
Joe McKenna, director, pr

LIGGETT & MYERS TOBACCO CO.

MARKETING PERSONNEL

K.v.R. Dey Jr., president, ceo
Hal Grant, vp, sales
Tom Taylor, senior mktg mgr, all brands
Fred Iadanza, group promo/production mgr
Fred DiMenna, group promo/mgr
L.P. Hughes, natl field sales mgr
James M. McPartland, eastern region sales mgr
Ennis Laws, southern region sales mgr
Bruce Edwards, mgr, training & devel
Holman Brown, mgr, conventions & meetings
Robert N. Seher, admin asst to vp-sales
Charles Knudtson, sales merch mgr
Patrick Buckley, mgr, sales service
Bobby Rigsbee, director, purchasing

ADVERTISING AGENCIES

Norman, Craig & Kummel, New York—Lark cigarets, Lark Lights, Eve cigarets, Eve Lights—Arthur Toft, exec vp, mgmt super.

J. Walter Thompson Co., New York—L&M cigarets, L&M Flavor Lights, L&M Long Lights—Arnie Weinrib, senior vp, group acct director; Rob Harris, acct super.

Della Femina, Travisano & Partners, New York—Decade cigarets—Bill Keeshan, acct super; Phil Cole, acct exec

PINKERTON TOBACCO CO.

MARKETING PERSONNEL

Ken Wanamaker, president, ceo
Ralph Ring, vp, sales

ADVERTISING AGENCY

Berger, Stone & Partner, New York—Big Red—Joe Stone, president, creative director; Sam Ratner, exec vp, mgmt super; Alan Schwartz, vp, acct super.

ALLEN PRODUCTS CO.

MARKETING PERSONNEL

James W. Murray, president, ceo
John R. Foley, exec vp
Robert Hyde, vp, mktg
Jerrold Chadwick, vp, sales
Tom Durkin, vp, communications/technical services
Ken Kirshner, mktg mgr
Tyrone Allen, mktg mgr

ADVERTISING AGENCY

Weightman Inc., Philadelphia—Alpo canned and dry dog food, Bi-ta dog biscuits, Liv-a-Snaps pet treats, Alamo dry dog food—Ron Fraser, managing super; Hap Gwynn, Gordon Nichols, Ralph Day, senior acct supers; Doug Schorres, Linda Robinson, Dan Strunk, Malcolm Brown, acct execs; Neil Harrison, media director; Ray Durda, associate media director

EARL GRISSMER CO.

MARKETING PERSONNEL

Fred Whelan, president, ceo
Charles V. Durkee, exec vp, director of sales
George Feldman, vp
Donn L. Spencer, adv mgr
Esther Eisman, mgr, mktg & product services
Max Niemann, sales promo coordinator

NATIONAL OATS CO.

MARKETING PERSONNEL

David W. Hughes III, president, ceo
A. P. Fawcett, vp, mktg
Carl Sefl, director, mktg
John A. Blumgren, product mgr, cereals
Thomas A. Ramey, product mgr, popcorn

ADVERTISING AGENCY

Stern Walters/Earle Ludgin, Chicago—3-Minute oats and Super Pop popcorn—Stuart Shryer, chairman exec committee, mgmt super; Earl Arnold, acct super

PADDINGTON CORP.

MARKETING PERSONNEL

Al Ferro, president, ceo
Dick Mastracci, vp, genl sales mgr
John Daly, vp, sales, N.Y.
Steve Ryan, vp, mktg

ADVERTISING AGENCY

E.T. Howard Co., New York—J&B Rare Scotch whisky, Catto's Gold Label scotch, Royal Ages scotch, Izmira vodka, Paddington of Canada—Larry Rosenthal, acct super; Tom Rogers, acct exec

CARILLON IMPORTERS

MARKETING PERSONNEL

Albert H. Singer, president, ceo
Michael Roux, vp, eastern region sales
John Singer, vp, western region sales
Paula Braun, mgr, adv & promo

ADVERTISING AGENCIES

Martin Landey, Arlow Advertising, New York—Grand Marnier, Cherry Marnier, Marnier Lapostolle cognac, Absolut vodka, Chateau De Sancerre—Martin Landey, chairman; Bill Manley, acct exec; John Furniss, media

Chester Gore Co., New York—Bombay gin, Bertani wines, Fazi Battaglia Verdicchio wine, Punt e Mes, Achaia Clauss Greek wines and ouzo, Dopff Alsatian wines, Lang's Scotch whisky, Vin Fou and Chateau Lescours—Chester Gore, president; James J. Neville, media-mktg director

AUSTIN, NICHOLS & CO.

MARKETING PERSONNEL

Richard Newman, president, ceo
Tom Kaminsky, vp, natl sales
H. Rick Jones, vp, mktg
Laurence Yaffa, vp, natl accts & export sales
James G. Carter, natl sales director, wines
Brian W. Dunn, group mktg mgr, spirits
Robert Kantor, brand mgr, imported spirits products
James D. Lynch, Wild Turkey brand mgr
Kenneth W. Bray, mgr, strategic planning/product level
John R. Dubois, new products brand mgr

ADVERTISING AGENCY

Nadler & Larimer, New York—Wild Turkey 101 and 86.8 proof bourbon, Wild Turkey liqueur, Wild Turkey straight rye whisky, Paddy Irish whisky, Murphy's Irish whisky, Campari, Nicolaou Greek wines, Mouquin Italian brandy, Henriot champagne, Chateau Bouscaut, Chateau Olivier, Chateau Roc St. Michel, Chateau Rausan Segla, Chateau Voigny, Remy-Pannier Loire wines, Moillard burgundy wines—William Lyons, exec vp; Bruce Bromley, Mike Gutkin, acct execs; Manny Sternschein, media director

This Thanksgiving Serve Turkey Before Dinner
Austin Nichols
WILD TURKEY

Liggett Group's Wild Turkey bourbon ads continued to focus on a wild turkey. The company's wine and spirits sales were up 21% last year.

BRITE INDUSTRIES

MARKETING PERSONNEL

Ted Levy, president, ceo
Bob Harris, exec vp
Paul Friedman, mktg mgr

ADVERTISING AGENCY

Berger, Stone & Partner, New York—Brite watch bands—Joe Stone, president-creative director; Sam Ratner, exec vp-acct super

DIVERSIFIED PRODUCTS CORP.

MARKETING PERSONNEL

Cal James, president, ceo
Buddy Pilgrim, exec vp
Ira Silberman, senior vp
Ira Pollack, vp, corp mktg & purchasing
James Thompson, vp, sales
Lanier Johnson, director, mktg

PEPSI-COLA BOTTLING CO. OF FRESNO

MARKETING PERSONNEL

Ron Dorrell, president, ceo

ATLANTIC PEPSI-COLA BOTTLING CO.

MARKETING PERSONNEL

Larry Smith, president, ceo

Loews Corp.

	1978	1977
Sales	$3,455,644,000	$3,238,412,000
Earnings	168,165,000	174,349,000
Advertising	78,385,800	66,114,000

Loews Corporation, New York, the 50th largest national advertiser, is estimated to have hiked its 1978 advertising expenditures 19% to $78,885,800.

Sales reached a record $3.45 billion, up nearly 7% over 1977, but net income declined to $168,165,000, from $174,349,000. The 1977 figure includes income of $45,700,000 from the sale of Loews' foreign cigaret business. Income from continuing operations jumped 83% in 1978 to a record $147,700,000, from $80,700,000.

Loews owns 57% of the stock in CNA Financial Corp. Loews' equity in CNA generated 50% of the parent's net income in 1978, compared with 43% the year before. CNA property and casualty insurance revenues were up nearly 5% to $1,119,446,000, and life insurance revenues increased by 3% to $1,008,957,000.

CNA's consumer finance subsidiary, General Finance, generated revenues of $125,126,000, an increase of 11% over the previous year. This record was achieved in the face of the higher money costs that track the higher prime interest rate.

CNA's advertising program in 1978 stressed its commitment to its independent agents in a $704,500 magazines campaign. CNA introduced a "high performance agents" program and expanded its agent incentive plan.

Loews reports that its tobacco subsidiary, Lorillard, enjoyed its finest year in its 218-year history in 1978, as its share of the domestic market rose to 9.1%, from 8.8% in 1977. A full share of the market was worth about $87,000,000 in sales at the manufacturer's level in 1978.

Lorillard has a growth rate of about 12 times the industry average. Production of all Lorillard brands totaled 55.29 billion units, up 4.1%.

Lorillard continues as the fifth largest cigaret manufacturer, trailing industry leader R.J. Reynolds, Philip Morris, Brown & Williamson and American Tobacco.

The growth segment in cigarets is low-tar brands, defined as 15mg and under. In 1976, one out of every five cigarets sold was low tar. By 1978, low tar brands had captured one-third of the market.

Lorillard anticipated this trend and positioned itself solidly within the market, with four principal entries: Kent, at 12mg; Golden Lights, 8mg; True, 5mg, and the new Kent III, at 3mg.

Wear a Max today!
Max 120s
MAX
MAX

Loews Corp.'s Max 120s received $2,000,000, most of which was put into magazines and newspapers. The cigaret is targeted to women.

On Sept. 13, 1978, Lorillard dropped the Kent name from Kent Golden Lights brand in order to make the brand easier to ask for, and to clear up any confusion that existed between Golden Lights and the parent brand Kent, according to the company.

Golden Lights recorded another year of high growth, selling 14.7 billion units, a 26% surge over 1977, making it one of the industry's fastest growing brands. Golden Lights 100s paced the growth, enjoying a volume jump to 4.53 billion units, from 1.99 billion, with total market share more than doubling to 0.7%, from 0.3%.

Golden Lights was backed by a measured media campaign of $22,580,375, including $8,251,475 in newspaper support. Outdoor received $3,807,400.

Second among Lorillard spenders was True, with $13,762,115 for all measured media, including nearly $6,000,000 in magazines, $3,777,000 in outdoor and $2,321,415 for newspapers. Unit sales for True were up 6.1% to 11.55 billion.

- Lorillard's high volume cigaret, Kent, saw sales drop 13.9%, to 15.98 billion units. By year's end, the unit volume differential between it and the soaring Golden Lights had shrunk from 6.94 billion to 1.28 billion.

In 1977, Kent registered sales of 30.16 billion, and ranked sixth among all brands. In 1978, after Golden Lights was spun off from its parent, Kent held the No. 10 spot, with Golden Lights following as No. 11.

Kent's precipitous sales drop in 1978 was offset by Golden Lights' jump, so that their combined volumes in 1978 exceeded 1977 sales by a half billion units.

Kent's advertising budget was substantial. Leading National Advertisers reports that Kent put $7,903,700 into magazines, newspaper supplements and outdoor. An additional $3,786,500 was channeled into newspapers. Kent deluxe 100s and king size cigarets received the heaviest support.

- Newport experienced a sales gain of 17.7%, to 8.58 billion units. It was the only major low filtration menthol brand in the industry that enjoyed growth in 1978. Excluding newspapers, Newport spent $7,953,100 on major media, with almost 45% of that amount allotted to outdoor.

Max 120s, a cigaret targeted to active women, by contrast put no money into outdoor. Max' estimated $2,000,000 ad expenditures were concentrated in magazines, with some newspaper advertising, in an effort to carve into the market created and dominated by Philip Morris' Virginia Slims, which had 1978 sales of 9.69 billion, up 1.8%, compared with Max' 3% gain to 1.04 billion units.

Max' promotional approach is strongly tied to fashion, striving to earn an image of smartness and sophistication. To this end, Max makes use of sweepstakes, mailings, beauty market tie-ins and pinpoint samplings to select groups.

Old Gold sales were off, to 3.3 billion, from 3.57 billion. Major media received $1,294,000. Last summer, Old Gold parted ways with its agency of two years, Kelly Nason, New York, and settled at MCA/-Graham, the agency which also manages the Newport account.

Old Gold, and its low-tar extension, Old Gold Lights, introduced in the summer of 1977, are marketed mainly in the northern tier of the country. The brand has not shared in the volume growth generated by other Lorillard products.

- After testing two new low tar entries, Triumph and Kent III, both at 3 mg, Lorillard rolled out Kent III into the national market early in 1979, with Triumph following six months later. By the end of 1978, the ultra low tar segment of the tar spectrum had the fastest growth, almost 30%.

With its new entries, Lorillard is taking aim at the market controlled by American Brands' Carlton, which at 1mg witnessed growth of 27% to 10.09 billion units in 1978, and R.J. Reynolds' Now, at 2mg also a comer, increasing its market share 13.1% to 3.20 billion units.

In 1978 test, Kent III had an ad budget of $160,300; Triumph was allotted $141,900. Both brands were supported principally in outdoor.

Lorillard spent $704,500 advertising Beech-Nut chewing tobacco in 1978.

- Loews' hotel division increased its revenues by 17.6%, or $17,624,000, compared with 1977, a reflection of increased occupancy and higher room rates. Loews presently operates 15 properties around the world, including the soon-to-be completed Loews Biarritz Hotel, a spa resort on France's south Atlantic coast. On the French Riviera is Loews Monte Carlo, which contains the only in-house casino in Europe.

In January, 1979, the hotel division opened the new Loews Anatole in Dallas, a 1,001 room hotel with convention facilities. In Manhattan, Loews hotels include the Regency, Drake, Warwick and Summit, as well as the Ramada Inn and the Howard Johnson Motor Inn. Loews spent $167,000, primarily in magazines, to promote these New York facilities last year.

The Theatre division upped its revenue contribution in 1977 by 24.7%, or $8,217,000, as the result of increased theater attendance. A list of popular film releases—such as "Superman," "Close Encounters of the Third Kind," "Saturday Night Fever" and "The Goodbye Girl"—attracted more movie-goers in 1978 than in 1977 to Loews theatres.

- Loews acquired a 30.3% interest in Bulova Watch Co. in January, 1979, from the Hong Kong-based Stelux Mfg. Co. for $11,400,000. After acquiring an additional 7% of the stock, Loews launched a tender offer to acquire the remaining shares at $10 each.

At the close of the initial period of the offer, Loews had control of nearly 84% of the stock. Total price of the deal is put at around $38,000,000.

Although possessing assets of $180,000,000, Bulova has not been in good fiscal shape lately. It lost a total of $48,100,000 in the last three years. In the first three-quarters of 1978, Bulova netted $10,000,000 on sales of $171,000,000, although a loss was expected in the traditionally slow fourth quarter.

Loews is said to be attracted to Bulova in part because of its well known consumer name, and its extensive network of 20,000 retail jewelry distributors. When Loews took over the now-successful CNA Financial Corp., it too was troubled.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$26,666,500	$21,297,800
Magazines	24,147,600	18,758,100
Spot tv	477,000	46,400
Network tv	182,200	—
Spot radio	591,000	385,000
Outdoor	14,321,500	12,174,600
Total measured	66,385,800	53,939,400
Unmeasured	12,500,000	12,174,600
Estimated total	78,885,800	66,114,000

LORILLARD DIVISION

MARKETING PERSONNEL

C.H. Judge, president
J.R. Ave, exec vp, mktg
A.J. Bass, senior vp
R.H. Orcutt, senior vp, sales
R. Smith, vp, mktg devel
T. Mau, vp, adv & brand mgmt
C. Toti, group director, product devel
L. Gordon, director, wholesale accounts
S.R. Ridgway, director, pr
W. Sands, media director
P. Lawless, sales promo director
G. Flinn, rsch director
C. Humphrey, group brand director
M. Capra, H. Carroll, B. Davis, J. Giordano, R. Hammer, M.A. Kayiatos, G. Telford, brand mgrs
J. Rowe, associate brand mgr
E. Morgenthal, P. Lawrence, asst brand mgrs

ADVERTISING AGENCIES

Foote, Cone & Belding, New York—Kent, Kent III, Golden Lights, Max, new products—Ted Williams, group mgmt super, George Forney, Bob Patton, mgmt supers

de Garmo Inc., New York—True, new products—Joe Kelly, mgmt super

Spanish Advertising, New York—all domestic products in Hispanic markets—Luis Albertini, president

D'Arcy-MacManus & Masius, New York—Beech-Nut Big Red chewing tobacco, new products—William Johnston, Joel Spiegel, mgmt supers

MCA-Graham Co., New York—Newport, Old Gold, new products—George Hoefer, mgmt super

LOEWS HOTELS

MARKETING PERSONNEL

R.J. Hausman, president
W. Maibach, exec vp
P. Miles, vp, adv & pr
M. Crozier, director, adv

ADVERTISING AGENCIES

Landis & Landan, New York—Vernon Mosheim, acct exec

Cavalieri, Kleier & Pearlman, New York—Ian Kleier, acct exec

Krohn Advertising, Montreal—Peter M. Krohn, Anwar Chaudhary, Maureen O'Mahoney, acct execs

Rominger Agency, Dallas—Bart Rominger, acct exec

LOEWS THEATRES

MARKETING PERSONNEL

B. Myerson, president
B. Diamond, exec vp
D. Baker, vp, adv
T. Arnow, asst vp, adv & promo
H. Goldenberg, adv director

ADVERTISING AGENCY

Charles Schlaifer & Co., New York—Herb Joseph, vp-acct exec

CNA FINANCIAL CORP.

MARKETING PERSONNEL

E. Noha, chairman
L.C. Ballard, senior vp, central operations
P. Conway, vp, property & casualty mktg
B. Callahan, vp, life/health/pensions mktg
P. Engel, vp, mktg
N. Klincik, director, mktg
B. Loevy, director, adv & sales promo
R. Lewis, director, estate & business planning
R. Haidet, director, product devel coordination

ADVERTISING AGENCY

Frank C. Nahser Inc., Chicago—business, trade publications—Ron Nahser, vp

GENERAL FINANCE CORP.

MARKETING PERSONNEL

R.J. Trenkmann, chairman
E.G. Stautzenbach, vp, director of mktg

ADVERTISING AGENCY

Post-Keyes-Gardner, Chicago—Jack Arnold, acct exec

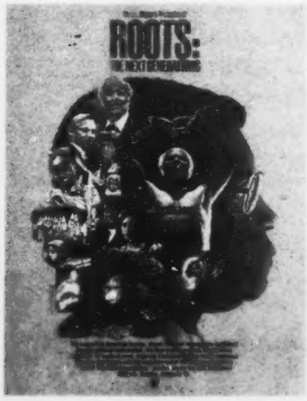
BULOVA WATCH COMPANY INC.

MARKETING PERSONNEL

P.R. Tisch, chairman, exec committee
H.B. Henshel, chairman
R.M. Bourquin, president
A.H. Tisch, vp
M.B. Weis, vp, sales
H.C. Titchell, vp, pr
G. Forman, director, mkgt services

ADVERTISING AGENCY

Doyle Dane Bernbach, New York—Simon Kornblit, mgmt super



ABC's "Roots: The Next Generation" rated as the second most popular show in tv history.

MCA Inc.

	1978	1977
Sales	$1,120,644,000	—
Earnings	128,379,000	—
Advertising	61,000,000	—

MCA Inc., Universal City, Cal., the 66th largest U.S. advertiser, makes its first appearance in the list of 100 top national advertisers with advertising expenditures estimated at $61,000,000 for 1978.

Advertising campaigns totalling $18,900,000 that support theatrical films released by Universal Pictures comprise the lion's share of MCA's spending. Spencer Gifts, Inc., a mail order and retail store operation catering to the mass market, is MCA's second largest spending subsidiary with 92% of its $6,400,000 measured advertising budget concentrated in newspapers and related supplements.

MCA's record and music publishing divisions allocated $1,500,000 to advertising albums and tapes. The balance of MCA's advertising is divided among other divisions.

▪ The unmeasured category of $31,000,000 reflects cooperative advertising primarily from MCA's feature film and to a lesser extent music and book divisions. These cooperative ads are placed by movie theaters, record stores and book stores handling MCA products.

MCA Inc. is headquartered on the lot of its Universal Studios near, Hollywood, Cal., in a 16-story, dark glass building that is referred to as "The Black Tower" in the film, tv and music industries where the diversified company has major holdings. Stock split 5 for 4 in September, 1978, on the strength of film, tv, retail and mail order, financial and recreation divisions reporting "the best year in their history," according to MCA.

Advertising for feature films, according to a Universal Pictures representative, increased 86% in 1978. The increase is attributed to an over-all effort to provide greater advertising support to films and also because the 23 features released in 1978 are eight more than the year before.

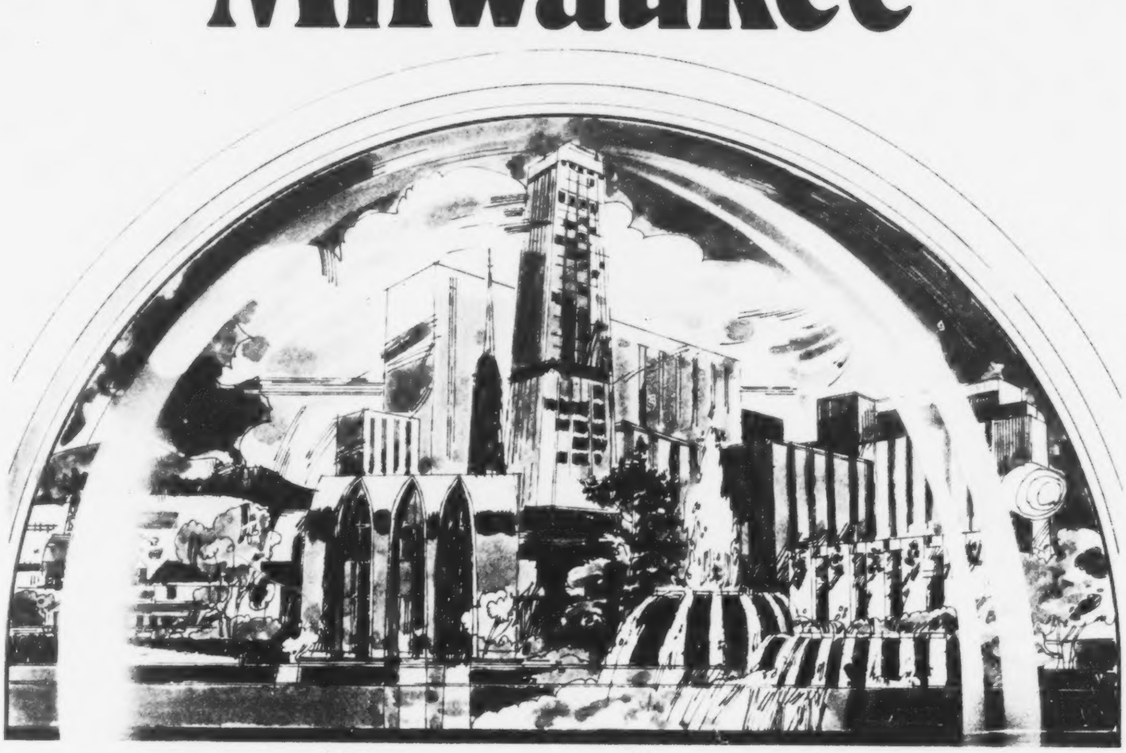
Rental fees of $84,000,000 for "Jaws 2" and $65,000,000 for "Animal House" (gross box office is about twice these figures) led Universal Pictures to revenues of $318,703,000 in 1978, up from $222,845,000 the year before.

The $3,000,000 "Jaws 2" advertising campaign was the largest in 1978. "The Wiz," whose performance at the box office was fair, had $2,000,000 in advertising support while a $1,600,000 budget backed "Animal House."

Disappointments in 1978 included "Sgt. Pepper's Lonely Hearts Club Band" and "Moment By Moment," both of which failed to win approval from audiences or critics. Other major Universal films in 1978 included "The Big Fix," "The Brinks Job," "Gray Lady Down," "House Calls," "I Wanna Hold Your Hand," "Paradise Alley" and "The Greek Tycoon."

Late in 1978, Universal Pictures released "The Deer Hunter" in limited engagements to qualify it for Oscar consideration. The film won five Oscars, including Best Picture,

Milwaukee



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Those, of course, are the bare bones of any experiment. If you wanted to test the effect of fertilizer on corn yield, chances are you wouldn't put your fertilized field in Ohio and your control field in Nebraska. You'd want both fields on the same farm. And your confounding variance would be nil.

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And because Milwaukee is large enough to offer a demographically balanced test market and control market, you can execute a tightly controlled experiment — all within one SMSA.

The Milwaukee Journal
Milwaukee Sentinel

A major floor covering manufacturer, for example, used a split-run test of hard-sell vs. soft-sell on two demographically balanced groups.

And a packaged goods manufacturer used a 4-way split-run to see which coupon worked best — 10¢, 15¢, 20¢, or 25¢.

There are many more Target Marketing success stories. If you'd like to hear them, and find out how Milwaukee can work for you, call Wally Just at The Milwaukee Journal, (414) 224-2472.

Wally Just, General Advertising Dept.
The Milwaukee Journal, Journal Square,
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and will post most of its box office earnings in 1979. The studio said in late 1978 that a $4,000,000 campaign was planned for "Deer Hunter."

▪ Had the near unanimous predictions for a "Battlestar Galactica" hit tv series come true, the "Battlestar Galactica" movie would have had a tremendous springboard. But ABC-TV canceled what has been billed as tv's most expensive series (also filmed at Universal Studios), deflating plans for merchandise tie-ins and the movie.

As it is, Universal Pictures mounted a sizable advertising campaign in 1979 to promote the movie, which consists primarily of footage from the tv series pilot. Another feature in this category during 1979 is "Buck Rogers in the 25th Century," which was originally filmed as a made-for-tv movie, but never broadcast.

Universal Television, with revenues of $348,175,000 in 1978, is billed as the "busiest" tv studio in the U. S. and possibly the world. MCA TV handles syndication of off-network programs and a new unit, MCA TV Program Enterprises, was created in 1978 to develop products with independent producers.

Virtually all advertising of Universal tv products is done by producers and broadcasters that purchase syndication rights, both of which are outside of the MCA organization.

▪ Products geared to contemporary life style tastes of mass consumers and sold through catalogs and stores brought revenues of $167,540,000 to Spencer Gifts, headquartered in Atlantic City, N. J.

Forty-seven new stores opened in 1978 brought the division's retail outlets located in shopping malls in 42 states to 343. Spencer Gifts plans to add 40 more stores in 1979.

Revenues of $131,467,000 from MCA's records and music publishing activities in 1978 were about $31,000,000 higher than the year before, but about the same as posted in banner years of 1974 and 1975. "A new regime" was installed in January, 1979, headed by Bob Siner, to better the five platinum and two gold album performance of MCA Records artists in 1978.

MCA Records more than doubled its roster of country artists with the acquisition of ABC Records in March, 1979. Barbara Mandrell, The Oak Ridge Boys, Conway Twitty, Loretta Lynn, Merle Haggard, Roy Clark and Tanya Tucker make MCA Records' complement of country artists one of the strongest in the music industry.

Other leading acts include Elton John, The Who, Poco, War, Olivia Newton-John, The Crusaders, The Dramatics and B. B. King.

▪ MCA established Infinity Records in New York City during October, 1978, as an autonomous label, separate from MCA Records in the Los Angeles area. It has one gold record to date. Another autonomous division, MCA Distributing, was also created in 1978 to distribute products of MCA's labels and other labels.

The in-house agency Lankershim Advertising of MCA Distributing administers the advertising budget, which was concentrated in spot tv during 1978.

Columbia Savings & Loan Assn., with 24 branches in Colorado, is the largest advertiser among MCA's financial holdings. Its $400,000 advertising expenditures are concentrated in spot tv.

Two other Colorado savings and loan associations are in the process of being acquired by Columbia. MCA also owns Mid Continental Computer Services, which is involved in financial transactions.

Book publishing activities involve two MCA divisions. The G. P. Putnam's Son subsidiary handles "quality" books through Coward, McCann & Geoghegan, Richard Marek Publishers and Paragon books.

Mass market appeal books are concentrated in the B. J. Publishing group that consists of Berkley Publishing Corp. and newly acquired Jove books. Publishing divisions spent $140,000 in advertising during 1978.

MCA's recreation services division operates the Universal Studio Tour, the Universal Amphitheater, Yosemite National Park and Curry Co., and Landmark Services tours.

Attendance on the Universal Studio Tour rose 5% to 3,300,000 in 1978, making the tour of the studio lot the fourth largest theme park in the nation, according to MCA. The recreation services spent more than $100,000 in magazine and outdoor advertising.

A new venture likely to grow substantially in the future is MCA's home video system, dubbed DiscoVision. Launched in two test markets late in 1978 and early this year, DiscoVision enjoyed brisk sales in which demand reportedly exceeded supply.

MCA indicated the home video system would be marketed nationally in 1980. The DiscoVision home unit is manufactured by Magnavox through a cooperative venture.

An industrial model is made by another company, owned jointly by MCA and Pioneer Electronics Corp. of Japan. In February, 1979, General Motors Corp. agreed to purchase a minimum of 7,000 industrial units, which will occupy production of Universal Pioneer Corp. for the balance of 1979.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$6,400,000	$2,052,312
Magazines	2,989,700	938,500
Spot tv	12,442,100	3,619,600
Network tv	7,491,000	6,703,900
Spot radio	288,200	—
Network radio	193,200	218,600
Outdoor	132,400	90,300
Total measured	29,971,000	13,623,212
Unmeasured	31,000,000	26,376,788
Estimated total	61,000,000	40,000,000

MCA INC.

MARKETING PERSONNEL

Lew R. Wasserman, chairman/ceo
Sidney J. Sheinberg, president/chief operating officer

UNIVERSAL PICTURES

MARKETING PERSONNEL

Ned Tanen, president
Robert Wilkinson, exec vp, genl ales mgr
Charles Powell, senior vp, adv, publicity, promo
Buddy Young, vp, adv, publicity, promo
Willette Klausner, vp, mktg
Mike Ridges, vp, mktg

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, New York—Julian Bass, senior vp, acct super.

SPENCER GIFTS

MARKETING PERSONNEL

J. Eugene Brog, president
John L. Doyle, exec vp, director operations
George R. Zilling, vp, mktg, planning, rsch, devel

Retail Operations

Kenneth Litvack, vp, mktg
Ellen Dougherty, director, adv & sales promo

Mail Order Operations

S. Gary Stern, vp, mktg
Allan Bilofsky, director, adv services
Albert F. Coston, mkt planning coordinator
Eugene BeHage, director, space adv
Dotti J. Watts, internaitonal mktg administrator

ADVERTISING AGENCY

Fairfax Inc., New York—James Fishel, acct exec; Shirley Medici, media director

MCA RECORDS

MARKETING PERSONNEL

Bob Siner, president
Stan Layton, vp, mktg
Sam Passamano, Jr., director, mktg

INFINITY RECORDS

MARKETING PERSONNEL

Ron Alexenburg, president
Bud O'Shey, vp, genl mgr
Alan Ostroff, director,
Ira Sherman, director, product mgmt

MCA DISTRIBUTING

MARKETING PERSONNEL

Al Bergamo, president
Karen Vanek, director, adv.

Mars Inc.

	1978	1977
Sales*	$837,400,000	$790,000,000
Advertising*	60,180,000	51,000,000

*AA estimate

Mars Inc., McLean, Va., pushed its advertising expenditures in 1978 to an estimated $60,180,000, an 18% increase, making this marketer of candy, pet foods and rice products the year's 67th largest advertiser. Sales are estimated to have climbed 6% to $837,400,000.

Only Mars' corporate headquarters is in McLean, outside Washington, D.C. Located elsewhere are its major divisions: M&M/Mars, Hackettstown, N.J.; Kal Kan Foods, Los Angeles; Uncle Ben's, Houston, and Snack-master, formerly Jack's Candy, Albany, Ga.

Despite its size, Mars is privately held, one of the largest private companies in the United States. Without legal requirements for public financial reports, Mars pursues a tight-lipped policy of not divulging advertising and sales data.

▪ It's known that available estimates of Mars' advertising underestimate actual amounts by perhaps a third, or more. AA's estimates of total Mars advertising has been adjusted upward to more accurately reflect actual ad activity by the company.

Measured spending on individual brands and in particular media, estimates obtained from outside the company, have not been adjusted upward, however. The difference between AA's estimated total and the estimated total for particular media is reflected in the "unmeasured" category.

With millions in new ad dollars to spend, Mars placed the bulk of its extra marketing power squarely behind its M&M/Mars candy division, where ad spending last year soared 51% to an estimated $26,676,500 from $17,665,400. Ad spending by Mars' other three divisions was stable or dipped in 1978, by comparison.

The sharp rise in support for its major candy unit, estimated by industry observers to have annual sales of as much as $500,000,000, is proof of much sharper competition for a shrinking candy market.

Industrywide sales of candy bars priced from 15¢ to 25¢, where Mars is deeply involved, slipped to 596,100 pounds last year from 612,921 in 1977. Unit price hikes produced an increase in dollar sales, however, to $761,000,000 from $733,00,000 in 1977, according to government figures.

▪ Against softening demand, Mars is encountering more active competition from such competitors as Hershey Foods, which has only in recent years begun advertising for its candy bars. Hershey has even brought into test a product positioned against Mars' flagship M&M's candies: A peanut butter filled product named Reese's Pieces, a spin off from the established Reese's peanut butter-cup.

Last year, Mars sent ad spending for M&M's right through the roof, up 70% to an estimated $7,350,600 from 1977's estimated $4,334,200. Nearly all of the increase went into tv: Network buys were up 57% to an estimated $4,479,300, and spot buys climbed 53% to an estimated $2,064,300. But magazines prospered from the big M&M's push, too. Magazine buys for M&M's were up fivefold to $807,000.

Other long-time Mars brands also got much more ad backing in 1978. Milky Way bars, the second most heavily advertised brand behind M&M's last year, posted an even more breathtaking budget jump: Up 128% to an estimated $5,223,100.

Unlike M&M's, spending on network tv for Milky Way was stable, at around the $2,000,000 mark, but spot tv buying, barely visible in the estimates for 1977 finished 1978 at almost $3,200,000.

Savings are a snap at the K mart Minolta sale
$262
$224
The Saving Place

K mart Corp., in its attempt to emphasize quality in its lines, features name-brand products in its advertising.

Ad support behind Snickers jumped 67% to $3,880,500 last year from an estimated $2,322,500. Once again, the new ingredient was spot tv, absent in 1977 but about $1,700,000 last year. Ad spending on Three Musketeers was up 33% to an estimated $3,039,900 due also to higher spot tv use.

▪ On the down side, support for Starburst Fruit Chews was off 15%, to about $3,000,000 in 1978, while the ad budget for Forever Yours bars slid 45% to about $1,250,000. Still in test markets last year were two candy items seen by some as a preliminary step to entering the cookie product category: Twix, supported by an estimated $433,000 in spot tv last year, went national this spring; and Summit, which had a tripled ad budget of $769,000, all in spot tv, in 1978.

A continuing uncertainty last year and this concerns what action the Federal Trade Commission may take against candy advertising in children's tv programing. An initial proposal written by the FTC staff suggested an outright ban on tv ads addressed to children that promote products potentially harmful to health, including dental health.

A final decision is not likely before 1980. Less drastic steps, such as dental health disclosures, are possible.

Long a powerhouse pet food marketer in Europe, Mars positioned itself for a run for the money in the growing U.S. dry dog food market last year with the national roll out of Mealtime brand by its Kal Kan Foods unit. The Mealtime drive soaked up half of Kal Kan's estimated ad spending in 1978, $7,756,000 of $13,271,000.

The division this year is moving out of California test markets and into ten western states with Crave brand dry cat food. Ad spending on Crave slid to $644,600 last year, off 22% from 1977 when it was first introduced into California.

Mealtime finished 1978 ranked ninth nationally in dry dog food sales, according to analyst John C. Maxwell (AA, June 18). The category leader was Ralston Purina's Dog Chow.

▪ Kal Kan canned dog food, No. 2 in that category behind Liggett Group's Alpo last year, had its ad support trimmed to an estimated $3,234,900 from $3,723,600 in 1977. Network tv spending was up, to about $3,200,000, but spot tv was slashed to $200,000. Since 1976, ad spending on Alpo canned dog food is off 37%. Spot tv took the brunt of the cuts.

Kal Kan canned cat food moved up a notch in 1978, to third from fourth in national estimated sales, edging out a Ralston Purina brand, Purina Variety Menu, according to pet food analyst Mr. Maxwell. The category leader is still Heinz' 9 Lives. Spot tv support was cut in 1978, but offset by an estimated $1,500,000 in network tv. Total ad spending for the brand was estimated at $1,522,000, off 21% from 1977.

Kal Kan added D'Arcy-MacManus & Masius, St. Louis, to its agency list last year. The D'Arcy St. Louis office, long associated with Ralston Purina brands, was assigned MPS Chunks canned dog food, transferred from Honig-Cooper & Harrington, Los Angeles, and Thorofed canned dog food, transferred from Ted Bates & Co., New York.

Both Thorofed and MPS Chunks had little ad support last year, according to estimates, but MPS Chunks is reported to be available in ten western states with two new flavors added this year: "Country cuts" and "extra hearty."

▪ The Honig shop retains Mealtime and Crave; Bates keeps Kal Kan canned dog and cat foods plus Whel-Pup, a seldom advertised puppy food. D'Arcy, New York, has a number of Mars candy brands and, along with Bates, is one of Mars' worldwide agencies.

Among rice marketers, Uncle Ben's saw its ad spending drop last year, to $2,641,000, off 10.3%, according to estimates. That comes after an 11.8% ad spending decline in 1977.

The division has two new products in test, however. SunCrisps, a frozen french fry made from rice ("the tastiest fries under the sun," say introductory ads) entered Cleveland, Denver, St. Louis and Minneapolis in April of this year.

The division also has introduced Uncle Ben's International Style flavored rices: British Style for beef, Greek Style Rice Pilaf, French Style rice for chicken and Indian Style curried rice. Its roster of national brands includes Converted Rice, Quick Rice, Long Grain, & Wild Rice, Fast Cooking Long Grain & Wild Rice, Brown Rice, Stuff n' Such Stuffing Mix and flavored rices.

▪ Ad spending at Snack-master, Mars' smaller candy division, was down to an estimated $2,278,200 from about $3,200,000 in 1977. Most of that, $1,484,000, went to support the Marathon candy bar, off 38% from 1977.

Other brands are Lockets, a medicated cough drop with real honey center (imported from Britain); Bounty coconut bar, made in Holland; Pacer's Punch Chews, imported from England; Skittles Fruit Chews, also an English product, and Munch peanut bars.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$939,400	$2,452,100
Magazines	3,236,500	2,201,900
Spot tv	18,102,900	18,129,700
Network tv	23,454,700	15,912,700
Spot radio	467,800	317,600
Network radio	—	163,600
Outdoor	93,800	—
Total measured	46,295,100	39,177,00
Unmeasured	13,888,000	11,823,000
Total	60,183,100	51,000,000

M&M/MARS

Marketing Headquarters, Hackettstown, N.J.
MARKETING PERSONNEL

Howard L. Walker, president
Alun Jones, senior vp-mktg

SNACK-MASTER

Albany, Ga.

Trevor Hodgson, vp-mktg

UNCLE BEN'S INC.

Houston

Sam Dewar, vp-sales & mktg
Thomas Armstrong, vp-new business devel
Richard Guha, mktg services director
Robert Tyner, intl sales & mktg director

KAL KAN FOODS

Los Angeles

Ed Conn, vp-mktg

ADVERTISING AGENCIES

Ted Bates & Co., New York—M&M's, Forever Yours, Snickers, Starburst, Three Musketeers and Mars Almond candy bars—John Howard, exec vp-client services; John Fitzgerald, mgmt rep; Kal Kan canned dog and cat food, Whel-Pup canned puppy food—Tom DeVito, mgmt rep; Roy E. Tilles, account dir.

D'Arcy, MacManus & Masius, New York—Milky Way candy bars, new products and Snack-master division brands—Joel Spiegel, mgmt rep.

D'Arcy, MacManus & Masius, St. Louis—MPS Chunks canned dog food, Thorofed canned dog food—Jack Bruemmer, mgmt rep; Bob Baust, acct super.

Honig-Cooper & Harrington, Los Angeles—Mealtime dry dog food, Crave dry cat food—Craig Campbell, mgmt super; Robb High, acct super.

J. Walter Thompson Co., Chicago—Uncle Ben's rice products—Brian Squires, mgmt super.

Mingo Jones Guilmenot, New York—Uncle Ben's Converted Rice—Ron Owens, acct super.

CSI Advertising, New York—Uncle Ben's Converted Rice—Orlando Davilla, acct exec.

Mattel Inc.

	1978	1977
Sales	$493,563,000	$436,645,000
Earnings ...	30,061,000	28,837,000
Advertising	37,900,000	35,500,000

Mattel Inc., Hawthorne, Cal., the 83rd largest national advertiser, increased its advertising by an estimated 7% last year to $37,900,000.

In a year of diversification aimed at lessening its dependence on the seasonal and at times volatile toy business, Mattel increased sales by 13% to $493,563,000.

Toy sales by the world's largest toy maker were $399,835,000, an increase of 14% over the previous year.

Mattel's entertainment division also posted significant sales gains. Net entertainment sales were $49,524,000, compared with $43,493,000 in 1977, with Ringling Bros. and Barnum & Bailey Circus contributing substantially increased revenues from its traveling units and network tv specials, and Ringling Bros. and Barnum & Bailey Circus Florida theme park recording a 35% increase in attendance and an operating profit for the first time since it opened in 1974.

▪ The major diversification move was acquisition of Western Publishing Co., Racine, Wis., the nation's largest publisher of children's books under the Golden and Whitman labels and also a maker of puzzles, games, and hobby and craft products. Its sales last year were $275,000,000.

Mattel also acquired Holiday on Ice, Shipstads & Johnson Ice Follies and Concept 2000, which markets a line of radios, calculators and electronic musical toys for children featuring the Sesame Street, Disney, Peanuts and Raggedy Ann licensed characters.

This last acquisition was aimed at both broadening the Toy Products Group's preschool line and extending Mattel's electronic toys line.

Mattel established a new electronics division during 1978 and prepared for a major entry into the programable videogames and home computer market this year.

Mattel will offer a line of these products under a new brand name, Intellivision. The new electronics division has an advertising budget this year of about $8,000,000.

▪ The new electronics division was the object of agency competition between Ogilvy & Mather's Los Angeles office, which handles all other Mattel advertising, and several other major agencies. Ogilvy came out the victor in a final review that matched it against Botsford Ketchum, San Francisco.

The company described itself as "cautiously optimistic" about toy sales this year and listed several toy product introductions as having strong sales potential.

These included a new Spinout 360 Caster Wheeler with casters for rear wheels and a low center of gravity for stability, and two electronic musical instruments, the Bee Gees Rhythm Machine and the Magical Musical Thing.

Mattel's Barbie doll, the largest selling toy brand in history, was prepared for her 21st birthday this year with the introduction of an "A"-frame style Barbie doll Dream House three feet high and more than four feet long. Mattel's toy execs are also enthusiastic about a Kissing Barbie that has been added to the World of Barbie line.

▪ In the large doll category, Mattel introduced Baby Grows Up, described as "two dolls in one" that "grows" from a baby to a little girl with simulated feeding from a bottle.

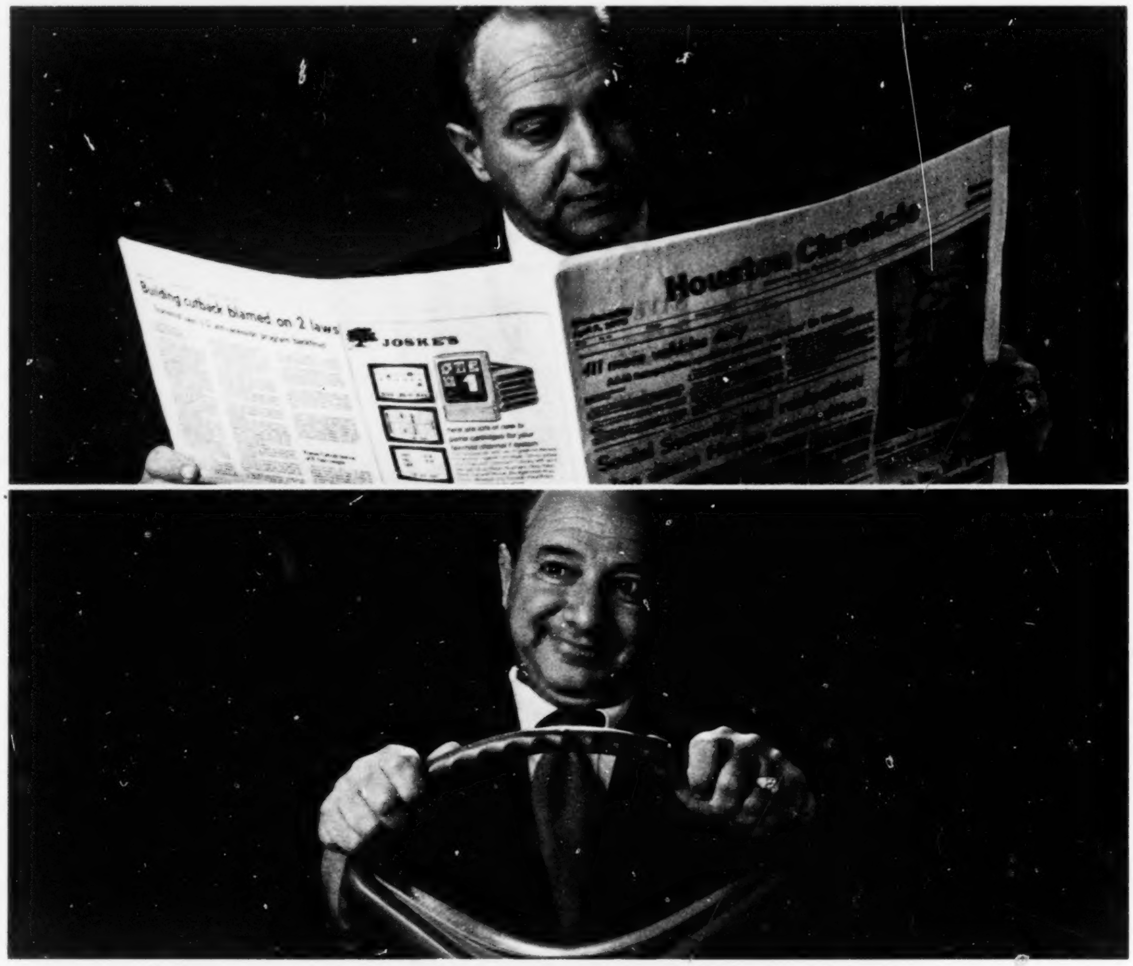
Also added in this category was Baby Magic Tender Love, which children can manipulate to perform tricks. Added to the Tuff Stuff toy line was a Tuff Stuff Workshop for creative play.

Citing increased demand for radio-controlled racers, Mattel has introduced a Drive Command Porsche 935 and a Lancia Statos with steering wheel control transmitters.

Missing from the list of products discussed by Mattel execs in their report to shareholders this year was the Mattel line of toys based on characters and space vehicles from ABC-TV's "Battlestar Galactica" series.

In one of the few mentions of the line since its introduction, Mattel president Samuel Meason told analysts in January that he expects vehicles and planes, including the "Galactica" line, to decline somewhat this year. The "Galactica" toys were redesigned after the death of a child who swallowed a rocket pellet from one of the toys.

Mr. Meason also told analysts he expects Mattel's miscellaneous category to jump to 20% of total


Houston Chronicle
Building cutback blamed on 2 laws
JOSKE'S

Because we move papers faster, you move cars faster.

In Houston, The Chronicle gives you the leadership you're looking for. In circulation, in readership and, consequently, in advertising linage.

As a comparison of the latest ABC Audit Report shows, The Chronicle leads the other Houston newspaper by more than 24,755 copies daily, by nearly 58,707 on Sunday!

That's why The Chronicle walks off with the lion's share of the advertising linage in Houston. Every day of the week.

Nearly 57% of the total newspaper linage ends up in The Chronicle, including 54% of all automotive advertising.

If you're selling in Houston, The Chronicle is the only newspaper you need. Only The Chronicle can give you 62% penetration of all daily newspaper households in Houston. Because The Chronicle gives Houstonians what they want. A newspaper that's timed to arrive when there's time to read a newspaper, weekday evenings, weekend mornings.

Houston Chronicle

Dollar for dollar, you get a lot more out of The Chronicle.

Represented nationally by Sawyer Ferguson Walker
Sources: Circulation comparisons computed from ABC Publishers' Statements, Sept. 30, 1978, by The Houston Chronicle.
Other data from Belden Continuing Market Study, 1977 and Media Records, 1978.

adsC

MARKETING PROFILES

revenues this year, paced by substantial gains by hand-held electronics games, and that Mattel aims to keep its share of 10% of the total toy market.

Early this year, Mattel announced it will team with Jerrold Electronics to market videogame and computer software through cable tv rental in five test markets this fall.

- Cable subscribers will purchase Mattel's $500 Intellivision game/-computer through cable salesmen, then hook into a library of game and computer programs by changing channels and pushing buttons.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$———	$186,900
Magazines	1,222,600	1,194,300
Spot tv	18,353,300	21,485,000
Network tv	11,336,300	11,017,100
Outdoor	216,600	128,500
Total measured ..	31,129,600	34,011,800
Unmeasured	6,870,400	1,488,200
Estimated total ..	37,900,000	35,500,000

MARKETING PERSONNEL

Mattel Toys

Raymond P. Wagner, president, Mattel Toys
Edwin W. Hamowy, president Mattel Toys Intl
Thomas Kalinske, senior vp-mktg
Shelly Morick, senior vp-sales & distribution

Mattel Electronics

Edward Krakauer, senior vp, Mattel Toys and genl mgr, Mattel Electronics
Jeff Rochlis, vp, Mattel Toys and president, Mattel Electronics

ADVERTISING AGENCY

Ogilvy & Mather, Los Angeles—Bourne Morris, senior vp-mng director; Robert Steward, senior vp-mgmt., Mattel Intl; Thomas Heinz, vp-mgmt super, Mattel; Thad Brown, Robert Moehl, Steve Blin, acct supers, Mattel Electronics; Charles Sharp, vp-mgmt super, Robert Sandleman, acct super; Susan Bowles, Michael Howard, Lucille Tajeri, Susan Smith, acct execs.

McDonald's Corp.

	1978	1977
Sales	$4,575,000,000	$3,738,000,000
Earnings ...	162,669,000	136,696,000
Advertising	136,803,000	122,157,600

McDonald's Corp., Oak Brook, Ill., the 23rd largest national advertiser, boosted its ad expenditures by 12% in 1978, and increased its share of the fast-food market to 19.5%.

The company published an advertising figure of $180,000,000 for 1978, but this sum includes local spending which is not included in ADVERTISING AGE calculations.

Systemwide sales reached $4,575,000,000 last year, up 22% over the 1977 total of $3,738,000,000. Earnings rose to $162,669,000, up 19% from the 1977 figure of $136,696,000. Sales outside the U.S. totaled $726,994,000, more than eight times 1973 sales of $87,203,000. Net income as a percentage of corporate revenues was 9.7%

- The company opened 514 restaurants last year to bring the worldwide total to 5,185 units, with 171 restaurants (45 in international markets) under construction as the year ended. Of this total, 4,465 are located in the U.S. and 720 in 24 other countries. Franchised outlets number 3,573, and 1,406 are company owned.

In 1978, McDonald's opened its first outlet in Belgium and its 5,000th restaurant worldwide in Fujisawa City, Japan, in October.

Sales volume for McDonald's restaurants opened 13 months or more averaged $942,000, an increase of 9.5% over 1977. In 1977, the increase over the previous year was 8.7%.

Published reports indicate that in those months, sales were up only 5% from the previous year, despite an 11% price increase that went into effect last year.

McDonald's management has said that they expect sales in stores opened 13 months or more to average $1,000,000 in 1979.

During 1978, McDonald's opened restaurants in the chic Michigan Ave. shopping district in Chicago, in Atlanta's Omni International hotel/convention/-shopping/recreation center and in Houston's Galleria Mall.

McDonald's number of U.S. "drive-thru" restaurants increased in this, the third year of the concept, to 1,834.

Advertising, through the year, stressed the following themes: Quarter Pounder People; promotions for breakfast and sundaes; "Families of America," with a "free family reunion" promotion; "Big Mac keeps you comin' back"; "Keep your eyes on your fries," and "There's more in the middle of an Egg McMuffin than an egg in the middle of a muffin."

In a presentation to the franchisees across the country, exec vp-marketing Paul Schrage said that the company's share of all eating out dollars was 5.45%, while the share of fast-food market was 19.5%. This compares to an 18.5% share in 1977. In the last quarter, he said the share increased to 20%.

- Breakfast, which in 1977 became an official part of the McDonald's menu, made up 15% of sales in 1978. Also last year, hot fudge, hot caramel and strawberry sundaes were extended into all of the North American restaurants. On May 7, 1978, McDonald's sponsored Kid's Day on which each of the 7,000,000 children who visited the restaurants received a free sample-size sundae.

The marketing department at McDonald's includes 40 ad managers and assistants located in regional offices. In addition to national agencies, 80 other shops implement local marketing programs, created and directed at the national level.

Virtually all restaurants voluntarily contribute a percentage of sales to OPNAD, the Operators' National Advertising Fund, which is used primarily to purchase network tv time. The corporation pays the production costs of these commercials.

- Marketing efforts outside North America almost tripled over 1977 expenditures. The 1978 advertising total abroad was $35,000,000, up from $13,000,000 in 1977. McDonald's uses tv in countries where it is available. In other markets, a combination of radio, outdoor, newspapers, magazines, cinema and direct mail is used.

In May, 1979, the company launched advertising with a new theme—"Nobody can do it like McDonald's can." The campaign has a new jingle and focuses on a new strategy termed "seize restaurant superiority."

The McDonald's Mini Mac restaurant is no longer being tested, but now is officially operating in some smaller markets. The Mini Macs—abbreviated versions of regular McDonald's—have limited seating and menu (no breakfast or sundaes) and drive-through windows.

New products currently in test include the McFeast, a chopped beef sandwich with lettuce and tomato; McChicken, deep fried chicken patty on a hamburger roll, and Onion Nuggets.

ADVERTISING EXPENDITURES

	1978	1977
Magazines	$468,200	$328,300
Spot tv	66,319,600	58,334,900
Network tv	48,547,300	37,353,600
Spot radio	732,500	847,000
Outdoor	1,949,100	1,703,600
Total measured ..	118,016,700	98,567,400
Unmeasured	26,407,000	23,580,000
Estimated total ..	136,803,000	122,157,600

MARKETING PERSONNEL

Paul D. Schrage, exec vp-mktg
Raymond S. Caruso, vp, director of mktg
Roy T. Bergold Jr., asst vp, director of adv and promo
Richard G. Starmann, asst vp, director of field mktg
Stanley Nicpon, director, mktg devel
David B. Green, director, adult adv and promo
Charles Rubner, director, children's adv and promo
Robert Lins, creative director
Dick Johnson, director, mktg rsch

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Ziff-Davis Network men are prime examples.
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Norman Axelrad, vp, director of public affairs

ADVERTISING AGENCIES

Needham, Harper & Steers, Chicago—Norval Stephens, mgmt rep; Michael Zaremba, acct director; E. James Charlesworth, field acct director; Harold L. McVeigh, asst field acct director; Phillip M. Morrow, field media acct super; Patrick Martin, acct super, adult; Jim Carasoni, acct super, new products; Brian Goodall, acct super, children; Tom Hartje, acct super, intl; Bill Welter, acct super, community mktg.

Burrell Advertising, Chicago—black consumer mktg.

Conill Advertising, New York—Spanish consumer mktg.

Golin Communications, Chicago—public relations.

Abelson-Frankel, Chicago—sales promotion.

Simon Marketing, Los Angeles—sales promo consultant.

Miles Laboratories

	1978	1977
Sales	$536,983,000	$479,129,000
Earnings....	18,060,000	16,419,000
Advertising .	62,258,000	46,500,000

Miles Laboratories, Elkhart, Ind., the 63rd largest national advertiser, boosted ad spending last year to $62,258,000, a 33% increase over 1977 U.S. ad expenditures.

The spending hike includes a jump in magazine spending to more than $4,000,000 from just under $1,000,000 the year before. Most of the magazine dollars went into ads for the company's Alka-Seltzer and Morningstar Farms meat substitute line.

Miles, officially a wholly owned subsidiary of Bayer AG Leverkusen, West Germany, since February, 1979, saw its worldwide net sales climb 12% last year as earnings jumped 10%. Outside the U.S. Miles had '78 consolidated sales of $172,647,000, a 17% rise, and a figure that equaled 32% of corporate sales. The company's research expenses rose 6% last year to $27,528,000.

Miles markets home medicines and vitamins nationally under the Alka-Seltzer, Alka-Seltzer Plus, Alka-2, One-A-Day, Chocks, Flintstones, Bactine and Miles Nervine brand names. Other consumer products are S.O.S cleaning product, Morningstar Farms and Worthington textured vegetable protein food products.

■ Outside the consumer arena, Miles markets professional pharmaceuticals, diagnostics, dermatologicals, medical instruments, laboratory supplies, industrial chemicals, enzymes and food ingredients.

Miles sells its products through four operating units: Consumer products group, industrial products group, professional products group and Dome division (prescription pharmaceuticals).

The consumer products unit encompasses a consumer products division--home medications and multivitamins—and a grocery products division—household and food products. In 1978, the unit had its best growth in several years, according to Miles' annual report.

Sales rose almost 9% to $246,000,000. Even with that increase, the company notes, however, that consumer products sales accounted for only 46% of total sales, down from 66% a decade ago. This follows Miles' continuing plan to diversify.

■ The industrial products group accounted for 21% of corporate sales last year with sales of $112,000,000, a gain of 17% over its '77 performance. Early last year, Miles reorganized the group into three divisions: Citro-Tech, Marschall dairy ingredients and enzyme products.

A new ventures department was created to explore new business opportunities for the industrial group. This had led to the formation of a new flavor department.

The professional products group had sales of $179,000,000 last year, nearly 14% above '77 sales. The group contributed 33% of sales to Miles' total. The group includes Ames division, Lab-Tek division, research products division and Life Science Instruments.

Dome division, which was included in '78 sales figures of the professional unit, was set up as a separate unit in anticipation of the addition of Bayer AG pharmaceuticals in the U.S. The division's U.S. sales force was doubled to 160; supporting marketing services have been added, Miles said. Among the division's over-the-counter products is Sungard lotion which screens out ultraviolet rays as it permits tanning.

In January, '78, Dome introduced Candex lotion and cream for skin infections with medical journal and direct mail support.

While Miles is no longer a one-product company, its Alka-Seltzer effervescent antacid line continues to be the top contributor to company sales. Last year, the product accounted for 17% of total Miles sales, compared with 23% in 1974.

■ It is estimated that Alka-Seltzer's share of the $95,000,000 effervescent antacid market is about 80%; Warner-Lambert's Bromo-Seltzer is put at about 10% and Brioschi, a powder product that is not distributed nationally, has about 5% on a national basis.

Late last year, Brioschi launched a comparative tv campaign, playing off the Alka-Seltzer ad theme with a line that asked, "What good is the plop, plop when all you need is the fizz, fizz?"

Alka-Seltzer, meanwhile, spread its "plop, plop, fizz, fizz" message last year with nearly $17,000,000 in measured media support; tv got the lion's share with $9,700,000 going to network and $3,757,000 in spot. More than $1,000,000 was put into outdoor and more than $1,300,000 went to magazines. Sammy Davis Jr. was a major spokesman for '78 ads.

Miles also used a women-oriented execution for Alka-Seltzer that portrayed women in jobs from welder to astronaut and with a tag line that called Alka-Seltzer "one small step for womankind."

■ Alka-Seltzer signed as a big contributor and supplier to the U.S. Olympic Committee for the '79 Pan American Games in Puerto Rico, and both Summer and Winter Olympics in '80. Spots for Alka-Seltzer are scheduled for NBC-TV's coverage of the Moscow summer games, and the company is authorized to use the official Olympics symbol and the title of "official sponsor" in ads and promotion.

The company says in its annual

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report that it is "anticipating that international sales of Miles consumer products, and particularly Alka-Seltzer, will be boosted by our participation as a sponsor" of the Pan American Games and the Moscow Olympics. Alka-Seltzer, which is marketed in over 100 countries, showed greatest overseas strength last year in Latin America, the company said.

Alka-Seltzer Gold, a no-aspirin companion added in 1974, continues to be marketed with minimal ad support (measured media listings show $1,000 in '78 spot tv backing) but has not proven to be a key item for Miles.

- Alka-Seltzer Plus cold medicine, on the other hand, was one of the consumer products unit's big percentage gainers last year, Miles says. The company attributes growth to big cold seasons and a new formula containing "increased antihistamines and decongestants."

The brand is estimated to hold around 8% of the market. Ad support last year was bolstered to $4,276,100, almost exclusively in tv. In '77, Miles put less than $2,000,000 behind the brand.

Ad backing last year for Alka-2 chewable antacid fell significantly to about $282,000 from over $2,000,000 in '77.

The newest Miles vitamin entry, with added minerals, reflects growing emphasis on nutrition.

The market has seen an influx of high-potency vitamins of late and heightened activity by established high-potency vitamin makers.

- Two established brands in that category, Theragran from Squibb and Myadec from Parke-Davis, are turning to consumer ad support to meet challenges from Lederle Laboratories' Centrum and J. B. Williams' Mega, both of which moved on the market with big ad plans.

It is estimated that this segment of the vitamin market is about $50,000,000 through drug outlets. The entire vitamin market is put by some sources at upwards of $500,000,000.

Miles' One-A-Day line is believed to hold about 18% of the multivitamin area.

Buffered Aspirin

Television support for Miles Laboratories' Alka-Seltzer amounted to more than $13,000,000 in 1978.

The other big consumer products unit sales gainer last year was the children's chewable vitamin line, Miles says. This included Flintstones and Chocks-Bugs Bunny varieties, which the company says, provided growth momentum for a category that has been declining in recent years with the U.S. population trends.

Flintstones vitamins continues to get heavy tv support, as other competitors dropped out of the medium, Miles reports. Ad messages for Flintstones, which is believed to hold a share in the mid to high 20s, have noted that U.S. research studies reveal most children do not get recommended daily allowances of certain vitamins and minerals and that this can be prevented with multivitamin supplements to the diet.

- Last year, Miles put $3,713,700 into tv for Flintstones vitamins; the lion's share was in network. In 1977, Flintstones got about $2,000,000 in tv backing. The Chocks-Bugs Bunny line gets no tv support.

Miles' adult vitamin lines—One-a-Day, One-A-Day plus iron and One-A-Day plus minerals, remained "steady" in sales, Miles said. The company, which was a pioneer in the vitamin field, continued to back its brands with heavy ad support. Over $9,500,000 went into tv for the brands last year, and $250,000-plus promoted a sweepstakes in magazines. Spending for One-A-Day in '77 was $7,500,000.

Bactine skin wound cleanser remains "the largest-selling advertised brand" in its category in the U.S. Miles says sales of both liquid and aerosol Bactine "increased" in '79. In January of this year, the aerosol variety was changed to nonfluorocarbon propellent.

Behind the ad theme, "Helps the hurt start healing," Bactine was promoted with about $1,300,000 in tv, up slightly from '77 spending levels.

- In May of last year, Vic Galef moved from marketing director of Wyler Foods, Northbrook, Ill., to take the new Miles post of group product manager for nutritional and hygiene products (vitamins and Bactine).

The main product in Miles' grocery products unit—S.O.S steel wool soap pads, continued as the largest seller in U.S. and Canada. Miles reports '78 sales in the U.S. "were up modestly" and noted that increased ad support was planned for this year. In 1978, S.O.S pads received over $2,500,000, all in tv. The product is just beginning to be introduced into some overseas markets. It is being sold door-to-door in Japan.

New products were added to Miles' foods lines last year and ad support for the Morningstar Farms line of cholesterol-free, textured vegetable protein meat substitutes was $2,376,000 in magazines and spot tv, compared with $1,300,000 in '77.

Leanies, frankfurter-like, and Grillers, hamburger-like, joined the Morningstar Farms line with introduction into western states.

- The original products—frozen links, patties, slices and strips—were reintroduced after reformulation last year. Miles says an "active research program is under way to improve the taste and texture" of all the products.

Morningstar Farms sales were "down moderately" last year while Worthington Foods, aimed at people who decline meats for religious reasons, posted "modest sales growth."

Miles voluntarily withdrew its Nervine sedative line from the market this year after government lab findings identified the commonly used ingredient methapyrilene as a possible cancer-causing agent in rats. Miles is continuing with plans to reformulate Nervine, which receives no media support.

In addition to measured media, Miles uses heavy p.o.p., medical and technical journal support, couponing, direct mail and dealer films for its proprietaries and vitamins, plus solicited sampling for new proprietaries.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 120,200	$ 93,400
Magazines	4,000,900	945,000
Farm Publications..	1,607,100	——
Spot tv	8,508,300	6,091,900
Network tv	27,979,600	24,373,900
Spot radio	399,200	82,000
Network radio	532,400	584,100
Outdoor	1,311,900	820,000
Total measured ..	44,459,600	32,990,500
Unmeasured	17,798,400	13,509,500
Estimated total ..	62,258,000	46,500,000

CONSUMER PRODUCTS GROUP

G. E. Davy, corp exec vp

Consumer Products Division

MARKETING PERSONNEL

J. F. Peil, vp-mktg, U.S. nutritional and medicinal products
M. B. Streicker, vp-mktg services
M. F. Neidorff, vp-intl mktg
S. M. Reim, director, proprietary medicine mktg
R. L. Novak, natl sales mgr

ADVERTISING AGENCIES

Wells, Rich, Greene, New York—Alka-Seltzer, Alka-Seltzer Plus, Alka-2—Kenneth Olshan, mgmt super, Walter Holden, acct super

J. Walter Thompson Co., New York—One-A-Day vitamin products—Merrill Snyder, mgmt super; Joe Delgado, acct super

Tatham-Laird & Kudner, Chicago—Bactine, Nervine, Chocks, Chocks-Bugs Bunny and Flintstones vitamins—Timothy Collins, mgmt super

Clifford A. Botway Inc., New York—network tv and radio buying—Clifford A. Botway, chairman; Edward Kobza, president

Lavey/Wolff/Swift, New York—new products

Boger, Martin, Fairchild & Co., Elkhart, Ind.—overseas military and trade advertising

International agencies: Leo Burnett, Chicago—intl adv for Consumer Products division in U.K., Italy, Mexico, Venezuela, Puerto Rico, Brazil, Colombia, Spain—John J. Kinsella, president, intl operations. Biggs Communication Group Ltd.—U.K., MD-4 Smoking Withdrawal System. EDIP—France, Alka-Seltzer, MD-4 smoking withdrawal system. T.B.W.A., Germany, Alka-Seltzer. Slessina Bates—Germany, Actron. Ronalds-Reynolds—Canada. George Patterson Pty—Australia. Lintas, Ltd.—Nigeria. Grey, Phillips, Bunton, Mundel & Blake—South Africa.

Grocery Products Division

MARKETING PERSONNEL

J. W. Grant, president
H. G. Fitts, vp-household products operations
F. E. Gustafson, vp-mktg, food products
R. R. Rowe, natl sales mgr

Worthington Foods

MARKETING PERSONNEL

A. R. Buller, exec vp
W. K. Case, general sales mgr
F. D. Poston, mgr, mkt devel

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—S.O.S soap pads—A. Kopelman, group vp; D. Maddox, mgmt super; A. Davis, acct super

Tatham-Laird & Kudner, Chicago—Morningstar Farms products—N. O'Meara, mgmt super

Seiber & McIntyre, Chicago—medical adv

Hameroff & Associates, Columbus, O.—Worthington Foods

INDUSTRIAL PRODUCTS GROUP

MARKETING PERSONNEL

R. B. Kocher, corp senior vp
D. J. Spence, vp-planning, new ventures
D. O. Maylath, mgr, mktg services
M. E. Freed, supv, adv/pr
R. J. Reynolds, mgr, flavor mktg

Citro-Tech Division

MARKETING PERSONNEL

R. J. McGrath, president
W. W. Bissell, director of mktg, food ingredients
H. C. Stalter, director of mktg, indt products
F. V. Coglianese, mgr, sales and commercial development, indt mktg dept
J. F. Johnston, vp-intl
J. C. Bakos, dir, citrate mktg-intl

Enzyme Products Division

MARKETING PERSONNEL

N. W. Meyer, president
A. A. Blaze, director of mktg, enzymes
N. D. Hupp, director of intl mktg, enzymes
R. M. Halcrow, director, Siebel operations (brewing ingredients)

Marschall Dairy Ingredients Division

MARKETING PERSONNEL

M. W. Shepard, president
V. G. Rowley, director, mktg dairy ingredients
F. N. Robison, director, intl mktg, dairy ingredients

ADVERTISING AGENCY

Stephan & Brady, Madison, Wis.—Roman Hiebing, president; Greg Brady, vp, acct super; Pamela Hickey, acct super; George Whitely, acct super

PROFESSIONAL PRODUCTS GROUP

R. P. Schlegel, corp senior vp
J. A. Murphy, vp, group staff

Ames Division

MARKETING PERSONNEL

R. P. Schlegel, president
R. H. Simon, exec vp
J. A. Best, vp mktg, home testing
J. T. Mulgrew, director, intl mktg
L. W. Cappel, director, sales, U.S. & Caribbean
H. L. Drye, director, mktg, U.S.
P. E. Doherty, director, mktg services
J. O. Cook, mgr, adv services
R. I. Dawson, area mktg director, Europe & Africa
A. Boy, area mktg director, Latin America
S. Kanda, area mktg director, Japan
A. Sabato, area mktg director, Far East

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—Ron Furedi, acct exec

Lab-Tek Division

MARKETING PERSONNEL

C. F. Neilson, president
R. F. Myers, vp, mktg
J. W. Williams, natl sales mgr
S. Johnson, super, mktg services

ADVERTISING AGENCY

Arnold, Hoff Inc., Chicago—Fred Pampoe, acct exec

Research Products Division

MARKETING PERSONNEL

D. A. Stauffer, president
J. V. Thomas, director, mktg
L. R. Hubbard, director mktg rsch, packaged products
P. Bromfield, area mktg dir, Europe, Africa

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—Ron Furedi, acct exec

Life Science Instruments

MARKETING PERSONNEL

A. H. Clemens, vp
J. M. Shade, systems mktg mgr

DOME DIVISION

C. V. Owens Jr., corp exec vp

MARKETING PERSONNEL

J. A. Paolo, president
W. Recknagel, vp, mktg
W. N. Sallee, vp, professional affairs
J. B. Bunce, vp, European devel (Stoke Court)
R. Yvars, director of mktg, U.S.
P. N. Goddard, mktg director, Europe and Asia/Africa (Stoke Court)
D. Reynolds, mktg mgr, Canada (Toronto)
H. H. Gomez, mktg director—Latin America

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—J. Noel, acct exec

Mobil Corp.

	1978	1977
Sales	$37,331,000,000	$34,443,000,000
Earnings ...	1,126,000,000	999,000,000*
Advertising	163,043,300	142,772,470

***Restated by company**

Mobil Corp., New York, the 15th largest national advertiser, increased its ad spending in 1978 by 14%, from $142,772,470 to an estimated $163,043,300.

Net earnings for the company increased almost 13% in the year to $1.13 billion, on sales which increased 8% to $37.33 billion. Montgomery Ward, in its second full year under Mobil ownership contributed $5.01 billion to Mobil's total revenues, up 10.5% over 1977. Net income for the retailing and catalog subsidiary climbed 12%, to $105,000,000.

Mobil's energy operations worldwide continued to account for the lion's share—84%—of the company's earnings, up from 80% in 1977. Mobil chemical operations added $86,000,000—about the same as a year earlier—and accounted for 7.6% of the parent's earnings.

Container Corp., the paperboard packaging concern purchased by Mobil in 1976, contributed only $5,000,000 or 8.5% to Mobil's earnings, down $40,000,000 from 1977. The sharp reduction, the company said, was due to provisions made for antitrust litigation settlements related to the unit's folding carton and corrugated container operations in years prior to Mobil's acquisition.

While oil and natural gas exploration in previous years began to pay off last year—especially in the Gulf of Mexico, the North Sea and Indonesia—the company's worldwide crude oil and natural gas liquids production fell to its lowest point in the past five years, 2,117,000 bbls. per day. While Mobil owns a 7% interest in the Iranian oil consortium, the cutoff of oil exports from that country had little effect on 1978 results.

- Mobil said it improved its competitive posture in the U.S. market with the introduction of its Super Unleaded east of the Rocky Mountains late in 1978. Though the entry of the premium no-lead product follows a similar entry by Amoco Oil (Standard Oil of Indiana), demand for Mobil's product "substantially exceeded expectations," according to the company.

Ad spending for Super Unleaded totaled $3,759,000—primarily in network and spot tv. (Shortages of the product early this year resulted in the company pulling all national advertising.)

In engine lubricants, Mobil 1 continued to enjoy a leading position in the fuel-efficient category, which is expected to grow rapidly this year. The company spent $3,933,000 for Mobil 1 in 1978, up slightly from year-earlier spending of $3,867,000.

- In the chemical division, Mobil almost doubled its measured spending for Hefty plastic trash can liners, from $3,858,000 to $7,155,000.

Otherwise, the company continued its often-controversial public affairs ad program on the pages of the country's most influential newspapers.

Mobil caused a flap last August when it attacked ABC-TV's "20/20" coverage of natural gas deregulation, calling it a "shocking spectacle" and "another chapter in an apparent anti-business vendetta." Spending for the program totaled $1,200,000.

Other public affairs spending, including an "Observations" column running in various publications, cost the company $2,500,000.

Mobil also continued its "Mobil Showcase" series of syndicated tv programs, initiated in 1977 with "When Havoc Struck" and "Between the Wars"; the 1979 production was "Edward the King." The company also sponsors "Masterpiece Theatre" on PBS, "Masterpiece Radio Theatre on NPR and two classical music programs for WQXR radio in New York.

- Montgomery Ward, an operating unit under Mobil's Marcor subsidiary, continued to pare away unprofitable or marginal stores in 1978. But while the number of retail stores dropped from 427 to 411 and catalog stores decreased from 298 to 284, the company announced an expansion program over the next four years that will bring in 101 new stores and produce a 31% increase in retail selling space.

Catalogs, which brought in 21.8% of Ward's sales, were bolstered in 1978 with increased emphasis on fashions. The company's spending for catalogs increased 10%, from an estimated $83,000,000 to $91,300,000.

Otherwise, Ward's continued its almost exclusive use of spot tv in 1978, spending $27,389,000 in the medium compared with $24,700,000 in 1977. In addition, Ward's spent an estimated $115,000,000 in local newspaper advertising and about $33,000,000 in direct mail (not included in national ad spending estimates).

In 1979, Mobil Corp. agreed to buy General Crude Oil Co., an exploration and development subsidiary of International Paper Co. for about $800,000,000. And last fall, Mobil bought W.F. Hall Printing Co., which prints the Montgomery Ward catalog, among others, for $50,500,000.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$4,657,800	$5,820,600
Magazines	3,439,600	4,624,300
Farm publications ..	1,811,000	1,176,000
Spot tv	33,294,300	27,834,900
Network tv	10,946,000	7,334,900
Spot radio	3,408,000	1,667,000
Network radio	253,000	168,000
Outdoor	54,500	75,600
Total measured ..	57,864,300	47,500,700
Unmeasured	105,179,000	95,271,770
Estimated total ..	163,043,300	142,772,470

U.S. MARKETING AND REFINING DIVISION

H. F. Hoffman, vp, genl mgr, mktg
R. L. Abbott, genl mgr, resale mktg
H. H. Hokamp, genl mgr, commercial mktg
K. C. Esty, genl mgr, adv & Merch
J. P. Landy, adv mgr

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Mobil consumer and public affairs adv—Alan O. Pando, group senior vp; Michael Bray, acct super; Pat Hennebry, Ken Kaess, acct execs; Barbara Best, asst acct exec.

Creamer Inc., New York—Mobil commercial adv—F. J. Dixon, acct super. Chicago—Mobil farm adv—Loren Henry, acct super.

Keenan & McLaughlin, New York—specialized retail adv—Hugh Schick, acct super.

MOBIL CHEMICAL

Plastics Division

Consumer Products Department

John Connors, mktg/sales gen mgr
K. R. Makowka, mgr, mktg services

ADVERTISING AGENCY

Ted Bates, New York—consumer products, Hefty, Guestware products—Don Ashley, senior vp.

Design Products Department

Thomas Everett, mgr, mkt planning & services

ADVERTISING AGENCY

Wittleder Co., Chicago—Ken Wittleder, acct super.

Commercial Films Department

W. B. Hopkins, product mgr

ADVERTISING AGENCY

Wittleder Co., Chicago—Don Gromberg, acct super.

Packaging Department

Robert Sax, mgr, graphics communications

ADVERTISING AGENCIES

Winterkorn, Hammond & Lillis, Rochester, N.Y.—Dan McCarthy, acct exec.

The Food Group, New York—Bill Schulkin, acct exec.

Phosphorus Division

R.C. Long, mgr, mktg programs

ADVERTISING AGENCY

The Martin Agency, Richmond—Dale Brown, acct exec.

CONTAINER CORP. OF AMERICA

MARKETING PERSONNEL

John Massey, director, communications
Robert Loth, mgr, mktg communications
M. Dutton Morehouse, mgr, corp communications

ADVERTISING AGENCY

CPM Inc., Chicago—Norman Goldring, president, acct super.

MONTGOMERY WARD & CO.

MARKETING PERSONNEL

R.M. Harrell, senior vp, retail mktg & sales mgr.
A.H. Lemke; natl retail sales promo mgr & adv mgr
Eugene Schaefer, retail promo business mgr

ADVERTISING AGENCIES

Lee King & Partners, Chicago—John Tarini, mgmt super; Grace Fortune, media group super.

Media Bureau International, Chicago—Richard Pickett, president; Norma Wren, vp.

Philip Morris Inc.

	1978	1977
Sales	$6,632,463,000	$5,201,977,000
Earnings ...	408,581,000	334,920,000
Advertising*	236,851,000	184,000,000

***Estimated by AA**

Philip Morris Inc., the 6th largest national advertiser, increased its advertising almost 29% to an estimated $236,851,000 in 1978, a year in which its cigaret and brewing operations continued to pace the company's record sales and earnings growth.

Consolidated sales rose 27.5% to $6.6 billion in 1978. Earnings were $408,581,000, a 22% gain over 1977. For the first quarter of 1979, sales were $1.90 billion, up 36.8% over the 1978 quarter, while earnings increased 25.6% to $109,915,000.

Consolidated operating revenues from tobacco products accounted for 64% of operating revenues and 78% of consolidated operating profit in 1978.

- Miller Brewing Co.'s contributions to consolidated revenues and operating income were 28% and 16%, respectively. For the fifth straight year, Miller continued to pace the industry. Miller's 29.1% increase in barrel sales in 1978 strengthened the brewer's hold on second place in the industry behind Anheuser-Busch, St. Louis.

The company's U.S. and international cigaret sales increased to 369 billion units, or 8.8% of the world market total of 4.2 trillion units in 1978. Philip Morris U.S.A., the company's largest operating unit, boosted its domestic cigaret output to a record 168 billion units, or 27.8% of the U.S. market, whose volume totaled 605 billion units in 1978, according to the Maxwell Report.

PM acquired Seven-Up Co., St. Louis, early last year via a tender offer which saw PM pay $48 per share for all 10,700,000 outstanding shares of the nation's No. 3 soft drink company. The $515,000,000 purchase price made it one of the largest cash acquisitions on record.

Seven-Up Co. increased its operating revenues and operating income 19.5% and 0.3%, respectively, in 1978.

- Seven-Up Co. dumped its agency of 36 years, J.Walter Thompson Co., Chicago, in early 1978, apparently rethinking its position in the $12 billion soft drink industry. In the following three months, Seven-Up introduced Quirst, a bottled lemonade, and committed a development investment of $20,000,000 which saw 7UP introduced in Cairo.

Following a brief hold out by stockholders, PM took over Seven-Up in late May, which affected the lineup of agencies eager to secure the $15,000,000 Seven-Up account.

N W Ayer ABH, New York, a dark horse among bidding agencies, was selected as the agency for 7UP and Sugar Free 7UP following a showdown with Leo Burnett, Chicago, which was given new product business or about $5,000,000 in ad dollars.

In late 1978, Seven-Up announced that its ad budget would jump from $20,000,000 to $48,000,000. As part of the hike in ad billings, Seven-Up changed the name of its Sugar Free 7UP to Diet 7UP.

- Philip Morris U.S.A. remained the fastest growing cigaret marketer in terms of unit sales growth on an absolute basis.

The U.S. market (including export totals), according to the Maxwell Report, was divided up as follows in 1978: R.J. Reynolds, 32.9%; Philip Morris, 27.8%; Brown & Williamson Tobacco, 15.2%; American Brands, 11.7%; Lorillard, 9.1%; and Liggett Group 3.3%.

Lorillard and PM were the only companies showing any share growth among the six companies last year. A share point in the cigaret industry last year translated to about $87,000,000 at the manufacturer's level.

Although Marlboro is still the premier brand in the PM cigaret family, the largest selling brand in the U.S. and the world was upstaged by the continued success of Merit, which is threatening to knock R.J.Reynolds' Vantage smokes out of the leading position in the low-tar segment. Lorillard's Golden Lights is the other chief competitor in the rapidly expanding market.

- The recent introductions of a myriad of low-tar regular and menthol brands by all manufacturers has not cooled off Merit, whose unit sales climbed 24% to 16.97% billion units in 1978. The continued growth of Merit is partially attributed to the addition of Merit 100s regular and menthol to the line.

The America's turning 7up Sweepstakes. Win $50,000 plus...
Save 15¢

Philip Morris acquired Seven-Up Co. early last year. Seven-Up's America's Turning 7UP campaign via its new agency, N W Ayer, is running on tv, radio and in print.

Domestic unit sales of PM brands are as follows: Marlboro, 101.0 billion (up 4.2%); Benson & Hedges 100s, 27.6 billion (up 5.4%); Merit, 17.7 (up 24%); Virginia Slims, 9.75 billion (up 2.4%); Parliament, 8.03 billion (down 5%), and Saratoga 120mm cigarets, 2.15 billion (down 0.9%).

PM U.S.A. invested the following amounts in measured media for its brands in 1978: Marlboro, $28,710,100; Benson & Hedges 100s and Benson & Hedges 100s lights, $18,809,500; Merit, $23,298,100; Virginia Slims, $10,250,800, and Saratoga, $2,223,400.

In an effort to gain a further hold on the growing low-tar market, PM introduced Basic 6mg tar cigarets into test markets in Arizona and Missouri. Billed as the cigaret with "double-aged tobacco," Basic was scratched from the PM cigaret roster late last year following a poor performance in test.

Industry sources suggest that a revamped version of the Basic brand may break later this year.

- All of the six major cigaret companies continued to battle for supremacy in the low-tar market. Accordingly, PM introduced Virginia Slims Lights 100s into Indianapolis, Denver, Jacksonville, Fla., and Portland, Me., this summer.

The 9mg tar line extension of the nation's No. 1 selling women's cigaret is being billed as "The low-tar cigaret, slim cigaret made just for women."

PM is known to be working on an ultra-low cigaret, the introduction of which might put pressure on Lorillard, a company that has had two ultra-low entries, Triumph and Kent III, in the past year. Like other cigaret companies, however, PM is reported to be having problems producing an ultra-low entry that delivers the taste PM prides itself on offering in its brands.

According to Philip Morris' annual report, world cigaret (excluding the U.S.) sales increased 2.7% to 3.64 trillion units in 1978.

- Philip Morris International, which sells more than 160 brands of cigarets in over 170 countries and territories, increased its share 5.5% last year compared with 5.2% in 1977. Marlboro accounts for about one-third of PMI's volume.

In June last year, Liggett Group, parent of Liggett & Myers Tobacco Co., sold its international cigaret business for approximately $108,000,000 to PMI. PMI acquired Liggett's international trademarks and rights to the following brands: Lark, L&M, Chesterfield, Eve and Decade.

Miller Brewing Co., Milwaukee, continued its winning ways. Following the 1977 ouster of Jos. Schlitz Brewing Co., Milwaukee, from second place in the beer industry, Miller increased its operating revenues 38.2% to $1.83 billion in 1978. Miller's 29.1% increase in barrel shipments to 31,274,000 gave it an 18.9% share of the 65,600,000 bbl. domestic market.

According to the parent company's annual report, Miller High Life, Miller's largest selling, premium-priced brand, continued to be "the fastest growing premium brand in the U.S." Lite, the nation's leading low-calorie beer, continued to maintain its "dominant share" of that segment.

Lowenbrau, Miller's super-premium entry, gave Miller what industry sources say is a strong position in this segment.

Miller Brewing and Anheuser-Busch, perennial archrivals, engaged in more horn-locking early this year in a legal right which saw Miller accuse A-B of misleading consumers into believing that its beers are natural products through use of the word "natural" in both its Natural Light and Chelsea advertisements.

The "natural" argument follows a 1978 marketing donnybrook in which A-B accused Miller of falsely implying that its domestically brewed Lowenbrau was still imported. The Federal Trade Commission refused to enter the case, but suggested that A-B make its case to consumers in its own advertising. The Lowenbrau file is still open, according to the FTC.

Miller High Life ad support, principally in network and spot tv, totaled $24,390,000, compared to $14,595,000 in 1978. Lite's support totaled $23,332,200, virtually all in tv.

After a year and a half in test, Miller's extra light beer entry, Player's, was discontinued in its test markets—Durham/Raleigh, N.C., Little Rock, Ark., Lincoln, Neb., Nashville, Sacramento, Cal., and Tucson—early this year.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$52,013,700	$53,123,300
Magazines	53,306,800	48,232,800
Spot tv	16,384,900	10,375,900
Network tv	67,054,600	31,756,100
Spot radio	5,118,900	2,345,000
Network radio	200	—
Outdoor	24,472,800	22,488,500
Total measured ..	218,351,900	168,321,600
Unmeasured	18,500,000	15,679,000
Estimated total ..	236,851,000	184,000,000

TOBACCO PRODUCTS DIVISION

MARKETING PERSONNEL

James Morgan, exec vp, mktg
James L. Thompson, vp, media
Robert A. Fitzmaurice, vp, director, brand mgmt
Jon N. Zoler, director, mktg rsch
Thomas R. Keim, asst director, brand mgmt
Robert F. Tracey, director, promo programs
Ellen Merlo, director, merch materials
Vincent Buccellato, brand mgr, Marlboro
Herbert Foster, asst brand mgr, Marlboro
Richard Stirlen, mgr, Benson & Hedges
Howard Goldfrach, asst brand mgr, Benson & Hedges
William K. Cutler, brand mgr, Merit
Robert P. Roper, brand mgr, Virginia Slims
Lawrence E. Wilson, brand mgr, Parliaments Lights
Claude Beck, mgr, media
Vincent Weiner, mgr, special promo & production

Sales

Robert H. Cremin, vp-sales
J.P. Jeb Lee, vp-mktg services
Hawes Coleman, director, field sales
J.J. Gillis, director, natl accts & manpower devel
E.D. Blandford, mgr, natl field sales
Nathan Gold, director, regional sales, New York
George J. Powell, director, regional sales, Philadelphia
C. Thomas Littleton, director, regional sales, Atlanta
D.E. Brandenburg, director, regional sales, Chicago
Larry N. Glennie, director, regional sales, Dallas
Ray H. Phillips, director, regional sales, Denver
Marty R. Maitino, director, regional sales, California

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Bill Engelbrecht, vp-mgmt director; Pete Volz, vp-acct super, Marlboro; John Benson, acct super; Peter Metz, acct super, Merit, Parliament Lights; Paul Driggs, acct exec super, Virginia Slims, Saratoga; Skip Long, acct exec, Marlboro; Neil Naroff, acct exec, Parliament Lights; Alan Berger, acct exec, Merit.

Wells, Rich, Greene, New York—Alan Breward, senior vp-acct group head; Doug Longmire, acct super; Stan Karp, acct exec, Benson & Hedges.

MILLER BREWING CO.

Milwaukee

MARKETING PERSONNEL

William A. Saupe, vp-brand mgmt
Lauren S. Williams, exec vp-mktg
David Smith, group product director
William S. Catlin, group product director
John Garner, brand mgr, Miller High Life
William Barrett, brand mgr, Miller Lite
Douglas Rogers, brand mgr, Lowenbrau
Leonard Goldstein, vp-sales

ADVERTISING AGENCIES

McCann-Erickson, New York—G. Robert Holmen, exec vp; Jeffrey Palmer, acct exec, Miller High Life, Clipper; Randy Lindel, mgmt super, Lite & Lowenbrau.

Mingo, Jones & Guilmenot, New York—Frank Mingo, president; Caroline Jones, creative director; Richard L. Guilmenot III, acct super.

Marschalk Co., New York—new product assignment—Tony Wainwright, exec vp; Chet Kane, senior vp-mgmt director; Andy Langer, exec vp-co-creative director; Steve O'Leary, vp-acct super; Frank Filtsch, acct exec.

THE SEVEN-UP CO.

St. Louis

MARKETING PERSONNEL

Albert Bissmeyer, senior vp-corp mktg
David Haffner, director, mkt devel-package goods
Charles Schmid, vp-director, sales
Gary Greenshield, director, mktg information & rsch
Jim Perabo, director, mktg services
Michael Gretz, director, new products devel
Tony Rebello, director, food service products
Robert Britton, franchise director

ADVERTISING AGENCIES

N W Ayer ABH International, New York—Dom Rossi, super; Steve Bretschneider, acct super.

Leo Burnett Co., Chicago—Hal Adams Jr., senior vp-plans board chairman; John Peterson, senior vp-mgmt director; Robert Heller, acct exec.

PHILIP MORRIS INTERNATIONAL

MARKETING PERSONNEL

John Guthrie, director, mktg services
Edward Gray, director, mktg rsch

ADVERTISING AGENCY

Leo Burnett Co.—Chicago—John Benson, acct super.

PHILIP MORRIS INDUSTRIAL

MARKETING PERSONNEL

William D. McCoy, president/ceo, chief operating officer
Robert J. Moore, director, communications

ADVERTISING AGENCY

Graphics One Associates, Stanford, Conn.—Jack Bousian, acct exec.

MortonNorwich

	1978	1977
Sales	$656,733,000	$609,303,000
Earnings ...	36,938,000	31,683,000
Advertising	36,182,000	36,102,000

MortonNorwich, Chicago, the 86th largest national advertiser, reports U.S. ad expenditures of $36,182,000 in 1978. This is an increase over the $36,102,000 spent the previous year, but because U.S. advertising was cut 5% in 1977, the total still lags more than $2,000,000 behind 1976 expenditures of $38,200,000.

Advertising outside the U.S. in 1978 rose 17% to $2,376,000 from $2,026,000 in 1977. Total advertising worldwide was $38,558,000, which is a $430,000 increase over 1977.

Sales of $656,733,000 in fiscal 1978, ended June 30, represented a 13% increase over $609,303,000 sales in fiscal 1977. A 17% hike in income, to $36,938,000 during fiscal 1978, represents a $5,255,000 increase over fiscal 1977.

The $553,052,000 sales recorded

MARKETING PROFILES

for the first nine months of fiscal 1979, ended March 31, indicates a 12% increase in sales over the first nine months of fiscal 1978. Income rose 25% to $39,188,000 during the first nine months of fiscal 1979.

▪ Morton Salt, the only company that markets salt on a national scale, holds more of the market than all competitors combined. The company also reported that Morton Salt Substitute maintained its market share and Morton Lite Salt showed continued growth. Morton water conditioning salt products boosted their market share.

During the year, key salt brands were supported by three major grocery products promotions: Salt sculpture, keepsake collection labels and all-brands sweepstakes. All three promotions were supported by advertising, which included space in women's service, shelter and regional publications, as well as craft publications for the salt sculpture promotion. Ad expenditures in measured media during 1978 totaled $778,000 for salt products.

Mainly emphasized during the holidays, the salt sculpture promotion was a continuation of the "Dough-It-Yourself" promotion. It included a new expanded instruction booklet offered for $1.50 or four 26-oz. size labels and 50¢.

Suggested by consumer interest, the keepsake collection label promotion featured 25,000,000 packages with labels from the 1914, 1921, 1933 and 1941 container designs. All four were displayed on grocery shelves and consumers were encouraged to collect a full set.

▪ The all-brands sweepstakes promotion was formulated to boost market shares for "flanker" products, including Morton salt and pepper shakers, Morton Lite Salt, Morton Salt Substitute and Morton Nature's Seasons. Another all-brands sweepstakes is planned for this year.

Three national consumer promotions, supported by newspaper ads in selected markets, were used to help increase market share for the water conditioning products.

In February, 1978, Morton-Norwich and Rhone-Poulenc S.A. of France signed a 10-year reciprocal cooperation agreement giving each other rights to manufacture and sell in the U.S. and France, respectively, pharmaceutical products developed by the other.

The French company already held 600,000 MN shares and, under a stock purchase agreement also signed in February, 1978, another 800,000 authorized but unissued shares of common stock were sold to Rhone-Poulenc for $24,800,000.

The stock agreement limits R-P, which now holds 10.5% of total outstanding shares, to purchases equalling no more than 20.5% of voting securities of the company during a 10-year period ending February, 1988. With 10.5%, R-P already is MortonNorwich's largest shareholder.

▪ Morton Quality Products unit, which processes and sells about 20 product lines of portion-packed condiment servings to institutional users and food service suppliers, was sold last year for $3,500,000. MortonNorwich also sold its Brazilian salt interests for $7,000,000. In December, 1977, the company's acquisition of its subsidiary, the Canadian Salt Co. Ltd., was completed.

MortonNorwich also purchased Shell Chemical's No-Pest Strip insecticide for $12,000,000. No-Pest Strip, with sales of about $12,000,000 a year, reportedly is the dominant product in the solid insecticide market. In total measured media last year, Shell Chemical spent $2,314,100 on advertising for the No-Pest Strip. Most of that money, almost $1,590,000, went for network tv.

Eaton-Merz division last year introduced Encare contraceptive vaginal suppository, which is believed to be one of the largest selling otc contraceptives. Touted in b&w spreads as "The most talked about contraceptive since the pill," it broke a major campaign in consumer magazines in late 1978, spending $295,000 in December alone. It also received substantial support in medical journals.

Texize household products division reported total sales of $136,000,000 in 1978. Compared to the previous year, this represents a 5% increase, which was accompanied by a 15% increase in pre-tax profits. The division's largest selling brand name, Spray 'n Wash, gained market share and the non-aerosol patented trigger spray pack and refill, introduced in 1977, continued to show consumer acceptance gains.

▪ Fantastik held its No. 1 position in the spray cleaner segment of the household cleaner market while Glass*Plus moved to a stronger No. 2 position in the glass cleaner market. A 24% increase in sales was reported for Glass*Plus last year.

Texize's Pine Power pine oil disinfectant, a familiar product in southeast and southwest regions of the U.S., was introduced this year on the West Coast, in Chicago and other markets. It showed a 41% sales increase in 1978. Several new products, including Yes heavy-duty liquid laundry detergent with a softener additive, went into regional test in March, 1979.

Measured media expenditures were increased this year for Texize's Glass*Plus and Fantastik brands while a little less was spent on advertising for Spray 'n Wash and Grease relief.

Of the $7,644,900 spent on advertising Spray 'n Wash, $6,830,900 went for network tv commercials. Almost $6,000,000 of the $6,474,500 worth of advertising for Glass*Plus was spent on network and spot tv.

Fantastik spray cleaner received $4,138,000 worth of advertising, over $3,170,000 of which went into network television. For Grease relief, $1,498,900 was spent on advertising, with $1,146,300 on network tv. All of the $1,121,500 worth of advertising for Pine Power went into spot tv.

Big measured media backing also was given to Pepto-Bismol liquid and Norforms feminine deodorant suppositories, both of which are Norwich-Eaton Pharmaceutical brands. Pepto-Bismol liquid, with $6,514,300 worth of advertising, put $6,125,700 into network tv. Norforms received $1,084,800 in measured media, with $697,800 in network television and $387,000 in consumer magazines.

ADVERTISING EXPENDITURES*

	1978
Newspapers	$52,000
Magazines	3,628,000
Spot tv	3,847,000
Network tv	23,053,000
Spot radio	178,000
Network radio	1,712,000
Outdoor	7,000
Total measured	32,477,000
Unmeasured	3,705,000
Total	36,182,000

*Company figures

ADVERTISING EXPENDITURES**

	1978	1977
Newspapers	$1,265,800	$52,000
Magazines	2,734,600	3,769,500
Spot tv	5,253,300	4,079,100
Network tv	23,447,800	24,535,800
Spot radio	264,100	79,000
Network radio	1,869,000	795,160
Outdoor	1,400	6,600
Total measured	34,836,000	33,281,900
Unmeasured	1,346,000	2,820,100
Estimated	36,182,000	36,102,000

**From AA's customary sources

MORTONNORWICH NORWICH-EATON PHARMACEUTICALS

MARKETING PERSONNEL

R. G. Boulton, president
F. M. Ault, professional & trade relations

MAGNAVISION
...THE WORLD ON A SILVER PLATTER

North American Phillips' Magnavox products received more than $7,000,000 in measured media spending, including print ad support for its Magnavision

CONSUMER PRODUCTS GROUP

MARKETING PERSONNEL

Ian T. W. Tosh, vp, gen mgr
James D. Hartsfield, sales director
James G. Clegg, field sales mgr
D. M. Howard, Robert O. Watson, S. A. Werner, J. Zweig, product mgrs.
D. R. Callahan, asst product mgr
David Parsons, new products mgr

ADVERTISING AGENCIES

Benton & Bowles, New York—Pepto-Bismol, Encare, Unguentine, NP-27, Jeneen—J. Boyd, mgmt super; K. Umansky, acct super.

James Neal Harvey Advertising, New York—Norforms, Chloraseptic—M.Byrne, vp-mgmt rep.

PROFESSIONAL PRODUCTS GROUP

MARKETING PERSONNEL

D. R. Lee, vp, gen mgr
J. P. Shea, sales director
John Sylvester, field sales mgr
J. Terrell, new products planning mgr
R. Hillman, mktg mgr
L. R. Pitzer, T. R. Franck, senior product mgrs
F. S. Wilson, W. R. Burns, product mgrs
R. J. Lauenstein, director of professional services

ADVERTISING AGENCIES

Lavey/Wolff/Swift, New York—ethical pharmaceutical products—Doug Brown, acct super.

Shaller-Rubin Associates, New York—ethical pharmaceutical products—Mel Rubin, chairman; Jennifer DeLellis, acct exec.

NORWICH INTERNATIONAL MARKETING PERSONNEL

W. D. Davies Jr., president
D. L. Heine, vp-commercial devel
R. L. Jackson, new products mgr
M. D. Koopman, adv mgr

ADVERTISING AGENCIES

Lavey/Wolff/Swift, New York—ethical drugs—H. Townsend, acct super.

Van Brunt & Co., New York—consumer products—R. B. Barker, acct super.

TEXIZE

MARKETING PERSONNEL

J. F. Mayer, president
W. D. West, vp-mktg
G. E. Mercer, dir of mktg
D. D. Smith, dir of new business devel
W. B. Miller, dir of mktg research

ADVERTISING AGENCIES

Henderson Advertising, Greenville, S.C.—R. W. Callahan Jr., vp-mgmt super.

Liller Neal Weltin, Atlanta—R. Hemsley, senior vp.

McCaffrey & McCall, New York—M. R. Bowen, senior vp.

MORTON SALT

MARKETING PERSONNEL

J. M. Kolbas, president
C. F. Abel, vp, sales & mktg
R. L. Pierobon, vp, industrial/chemical sales & mktg
C. Gardner, vp, planning and mktg services
D. J. Baloun, mktg director
J. M. O'Connor, sales director
D. F. Bowey, consumer mktg director
M. A. Eikleberry, industrial/chemical mktg director
D. B. Nilson, highway mktg director
R. W. McDonald, communications director
L. T. Kozon-Mattes, mktg rsch director
J. E. Flurry, mktg services mgr
J. Spink, genl mgr, scientific products
G. C. Anderson, L. A. Koller, P. Kothe, J. M. Page, J. R. Pfeil, D. M. Strietelmeier, product mgrs

ADVERTISING AGENCIES

Needham, Harper & Steers, Chicago—R. P. Laven, vp-senior acct director; A. W. Mitchell, G. T. Mrkvicka, acct execs.

Medicus Communications, New York—R. Hanbury, acct dir.

MORTON CHEMICAL

MARKETING PERSONNEL

R. C. Hyndman, president
W. E. Micheel, group vp-packaging products, chemical specialties, industrial adhesives
R. B. Covalt, group vp-dyestuffs-petro and industrial dyes, petroleum & industrial commodity chemicals, brine chemicals
R. B. Kron, vp-div services, administration, strategic planning, new products devel
A. Seiling, genl mgr-thermoset moulding compounds
D. R. Woelffer, sales mgr-thermoset moulding compounds
T. E. Nowakowski, mgr-dyestuffs
W. M. Hall, product sales mgr-dyestuffs
R. Berry, product sales mgr-industrial dyes
J. J. Fuerholzer, mgr-industrial adhesives
R. T. Zamis, sales mgr-industrial adhesives
T. R. Moorer, mgr-commodity & brine chemicals
B. M. Garner, mgr-chemical specialties
P. L. Weyna, director-new product devel
K. S. Treviranus, mgr, organic specialties

ADVERTISING AGENCY

Sander-Allen Advertising, Chicago—D. D. Smith, mgr-new business devel; C. A. Tornabene Jr., product devel mgr; W. E. Jenkins, associate product devel mgr.

Nabisco Inc.

Sales§	$2,197,300,000	$2,073,278,000
Earnings§	101,553,000	78,016,000
Advertising*	90,900,000	88,300,000**

§Worldwide
*AA estimate **Revised

Nabisco Inc., East Hanover, N.J., the 43rd largest national advertiser last year increased its U.S. advertising and promotional spending to $90,900,000 in 1978, up about 3% over the previous year.

Although it does not include certain of the unmeasured spending criteria ADVERTISING AGE uses in its estimates, Nabisco reported a worldwide media ad spending figure of $95,568,000 last year, an 8.3% increase over 1977. The company also reported that its advertising-to-sales ratio worldwide increased to a level of 4.4%.

Nabisco had record results in 1978, with sales up 6% to $2.2 billion and net earnings surpassing the $100,000,000 mark for the first time, totaling $101,553,000. This was a 30% increase over year-earlier figures.

▪ Network television was Nabisco's single largest advertising expenditure for the year. The company spent 73% of its total measured ad budget on network tv in 1978, compared to 65% of the total budget in 1977. (However, the 1978 dollar amount was 11.5% less, due to over-all cuts in measured media spending.)

About 60% of Nabisco's total sales volume is derived from sales of cookies and crackers from its biscuit division, the largest part of the company's U.S. food operations, which also include the special products, confectionery and food services divisions as well as Freezer Queen Foods.

Over-all, the U.S. food operations achieved record sales of $1,412,100,000 in 1978, a 7.8% increase.

In the face of a cookie market that was hurt by rising costs for chocolate and other ingredients, Nabisco credited its frequent promotions and increased cookie advertising with effectively offsetting the negative impact of higher prices.

The company launched a new advertising campaign—"Nabisco—America's Cookie Jar"—in the spring of 1978 to stimulate the market, and plans to use it again in 1979.

▪ The cracker market continued to grow and Nabisco had its most successful snack cracker introductions in 1978 for Chippers and Dixies Drumsticks brands. The company also began national distribution of a new snack food line packaged in foil bags, in a move aimed at penetrating the potato and corn chip section of supermarkets. This included brands that were previously boxed, like Mister Salty pretzels and Diggers, Korkers, Chipsters and Flings snack products. Nacho Tortilla Chipas were also added.

The biscuit division invested about $19,363,600 in measured media in 1978, down slightly from 1977 spending despite the bigger outlays the company made for crackers and cookies.

Among the categories leading advertised brands in the biscuit division were Nabisco crackers, $6,849,300; Nabisco cookies, $4,821,700; Triscuits, $3,085,200; Premium Saltines, $1,954,300, and Ritz crackers, $1,798,700.

▪ Other leading measured media spenders within the U.S. food operations were in the special products division. They included Milk Bone dog biscuits, $3,673,900; Nabisco Shredded Wheat, $3,317,300; Cream of Wheat cereal, $2,227,200; Team Flakes cereal, $1,505,500; Nabisco Tuna Twist Salad Mixes, $1,265,700, and Flavor Snack dog biscuits, $1,062,300.

Nabisco says it has developed a sophisticated testing system to measure sales accurately by testing a very small sample of the total market. Products from the U.S. food operations that were test marketed in 1978 included Morning Power hot cereal, via Ted Bates & Co. agency, and Brown Edge sandwich cookies, Peanut Brittle cookies, Apple Crisp cookies, and Wheatsworth Stone Ground wheat crackers, all via William Esty Co.

▪ Compared with its money-making biscuit division, Nabisco spent significantly more to advertise its pharmaceutical and toiletry products, which had a combined flat year in sales and earnings.

Of 20 individual products Nabisco spent more than $1,000,000 to advertiser last year, nine came from the toiletries and pharmaceutical operations. This included the brand Nabisco spends the most to advertise, the Geritol line of iron and vitamin supplements.

Nabisco spent a total of $15,809,500 in measured media advertising for Geritol products last year, including the new Geritol Mega Vitamins.

▪ It also put $5,517,600 behind the Rose Milk line of skin care products, the brand Nabisco blamed for the decline in sales and earnings of its toiletry products from 1977 levels. Increased competition hurt Rose Milk sales and earnings, but the company said it will continue to aggressively merchandise the brand.

Other brands in the pharmaceutical and toiletry division that Nabisco spent more than $1,000,000 to advertise included P.V.M. high protein powder (a diet aid), Sominex sleeping pills, FemIron tablets, Aqua Velva aftershave, Vivarin stimulant tablets and Serutan laxatives. Toiletries and pharmaceuticals are sold primarily through Nabisco's J. B. Williams Co. Inc. division.

▪ New toiletry and pharmaceutical products introduced during 1978 included Aqua Cologne, a men's fragrance, kicked off with a $1,000,000 ad blitz in May, and the Acu-Test in-home pregnancy test, believed to have been the first such product to be advertised on television. Parkson Advertising, a J. B.

Williams house agency, handled both.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 2,951,400	$ 2,879,300
Magazines	5,462,600	4,372,600
Spot tv	11,947,200	12,080,500
Network tv	56,506,100	63,024,600
Spot radio	450,100	357,000
Network radio	67,200	000
Outdoor	2,900	30,800
Total measured	77,387,500	82,744,700
Unmeasured	13,512,500	5,555,300
Estimated total	90,900,000	88,300,000

NABISCO INC.

MARKETING PERSONNEL

W. L. Abbott, vp, communications
Lou Rubinacci, mgr, media services

BISCUIT DIVISION

MARKETING PERSONNEL

J. Maxwell Enock, director, mktg, biscuit div
John DiBlasio, group brand mgr, cookies
William Stuart, group brand mgr, crackers
Dan Bonardi, adv mgr
Mel Perlmutter, director-mktg, snack foods

ADVERTISING AGENCIES

William Esty Co., New York—crackers, cookies and snacks—Jeff Greene, mgmt super, John Hughes, acct super; Stever Aubrey, mgmt super, snack foods.

Parkson Advertising, New York—crackers—James Bernegger, director, client services

SPECIAL PRODUCTS DIVISION

MARKETING PERSONNEL

Sam Haines, vp, mktg
Ruth Brodsky, group brand mgr, hot cereals, Dromedary products
Steve Wilkerson, group brand mgr, ready-to-eat cereals
George Erfurt, group brand mgr, pet foods
Bob Bartz, director, mktg, protein foods

ADVERTISING AGENCIES

Ted Bates & Co., New York—ready-to-eat and hot cereals, Dromedary products—Gary Boyle, mgmt rep; Norman Allen, acct director; Arnold Schwartz, acct super.

William Esty Co., New York—pet foods, protein foods—Stever Aubrey, senior vp; John Scott, acct super.

CONFECTIONERY DIVISION

MARKETING PERSONNEL

Ned Bjornson, exec vp

ADVERTISING AGENCY

Arnold & Co., Boston—Larry Green, acct super.

FOOD SERVICES DIVISION

MARKETING PERSONNEL

Jack Mitchell, vp, mktg
Don Winters, group mktg mgr, food service products
Andy Brain, group mktg mgr, vending & resale products

ADVERTISING AGENCY

The Food Group, New York—Don Axelrod, president.

FREEZER QUEEN FOODS

MARKETING PERSONNEL

Burt Grossman, vp, mktg services
J. M. Kenney, director, new products

ADVERTISING AGENCY

DiIorio/Wergeles, New York—Don Wergeles, acct super.

J. B. WILLIAMS CO.

MARKETING PERSONNEL

Morton Novick, exec vp, mktg & sales
Michael Santacroce, vp, director of sales
Dean Heitler, vp, toiletries mktg
Theodore Styne, vp, pharmaceutical mktg

ADVERTISING AGENCY

Parkson Advertising, New York—Geritol, Sominex, Serutan, Zarumin, Aqua Velva, AV Silicone, Rose Milk, 'Lectric Shave, Williams shave creams, Conti shampoos, Kreml hair preparations, Nikoban, Redwood, FemIron, Vivarin, Ace combs, 5-Day deodorants, Mon Triomphe and Williams advertising in Canada, Mega vitamins, Acu-Test, P.V.M.—Albert Kestnbaum, chairman; Philip Agisim, president.

ASSOCIATED PRODUCTS

MARKETING PERSONNEL

Sidney Merrians, president, Everlon Fabrics Corp.
Noel Levine, president, Hygiene Industries

Nestle Enterprises

	1978	1977
Sales	$1,306,000,000	$1,250,000,000
Advertising	77,919,300	71,300,000
Estimated by AA		

Nestle Enterprises, White Plains, N.Y., owned by Nestle, S.A., Vevey, Switzerland, is the 52nd largest national advertiser in the U.S. Nestle spent an estimated $77,919,300 in advertising in 1978, an increase of 8.6% over its 1977 expenditures.

Those ad totals include spending by The Nestle Co., White Plains, N.Y.; Libby, McNeill & Libby, Chicago, and The Stouffer Corp., Solon, Ohio. Nestle, Libby and Stouffer are wholly owned subsidiaries of Nestle Enterprises. Nestle Co. accounts for the major portion of the ad budget.

U.S. sales for all products made and marketed by Nestle Co. rose from about $1.25 billion in 1977 to an estimated $1.30 billion last year. The parent company's worldwide sales rose about 10% to about $11 billion in 1978. Net income, registered at about $350,000,000 in 1977, increased to approximately $420 million last year.

- The FIDCO and Food Specialties division introduced and expanded a line of cheese flavors under the Spectra label. Among the flavors included are two types of cheddar, Romano and Parmesan. Spectra chicken-type flavor sold industrially for use in various food applications, was also introduced.

Additionally, FIDCO makes hydrolized plant proteins, Rogers Cheese, Maggi products, FIDBITS, Flavo-Bits and Nestle VeeKreme.

Among the brand names included in the division's specialty food area are Crosse & Blackwell soups and sauces, Keiller imported marmalades and confectionary products, Maggi bouillons and seasonings and Kavli Norwegian crisp bread.

Nestle's measured media expenditures on its cheese brands fell to $721,000 in 1978 from $1 million the previous year. Broken down, the company spent $441,000 to promote Wispride cheese spreads, $38,700 to push Price's dips and $241,300 for Price's sandwich and snack spreads.

- As coffee prices reached a peak in 1977 and early 1978, consumption dropped. Then, in 1978, as prices started to fall, consumption increased and soluble coffee throughout this period increased its share of the total market.

Sunrise instant coffee mellowed with chicory, expanded into approximately 50% of the U.S. and was backed by nearly $10,000,000 in measured media spending, the most for any Nestle product last year.

Taster's Choice freeze-dried coffee continued to be a dominant factor in the freeze-dried category, outselling its nearest competitor by better than two-to-one. Nescafe instant coffee continued to promote its "world's largest selling" theme with continued high value coupons, consumers' premiums and network television.

Nestle's measured media spending in 1978 for its Taster's Choice freeze-dried and decaffeinated coffees amounted to $7,415,400, mostly in network television. Measured media spending for Nescafe instant and decaffeinated coffees came to $3,874,500, some $700,000 less than 1977 expenditures.

- In 1978, Nestle introduced single-serving packets of its Taster's Choice freeze-dried decaffeinated coffee.

The chocolate division continued to promote its "real chocolate" theme for its semi-sweet morsels, cookie mix and chocolate bars, despite escalating cocoa prices and generally flat sales of packaged candy products, according to wholesalers.

Go-Ahead crunchy peanut butter bar in milk chocolate was expanded to additional areas of the United States, marketed in about 20% of the country. Brownie mix and Blondie mix were introduced in test markets in Indianapolis and Milwaukee. Each of these products promotes the real chocolate theme. The Brownie mix is the only chocolate brownie mix with real chocolate, not just chocolate flavoring.

Nestle cookie mix introduced a reformulated product and repackaged the line from a pouch to a box. These changes substantially improved the brand's market position. The four flavors are chocolate chip, developed from Nestle's original Toll House recipe, sugar, peanut butter and a new flavor, oatmeal raisin.

During the year, the company spent over $3,500,000 in measured media dollars to promote its cookie mixes.

In 1978, Nestle spent $6,481,800 on the chocolate morsels; $2,370,000 on the $100,000 candy bar; $4,881,200 on Nestle's Quik; $3,074,400 to promote the Nestle's Crunch bar; $1,452,700 on its Cocoa mix, and $1,651,800 on the Nestle's Choco Lite candy bar.

As tea mixes continued to grow, so did Nestle's Nestea mixes which include Nestea iced tea mix, Nestea low-calorie iced tea mix and Nestea Light iced tea mix.

Nestea Light, a product introduced in 1977 to help meet consumer needs regarding dietary maintenance and consumer concern about saccharin, was expanded nationally.

Nestea brands were supported in 1978 with $4,857,200 in measured media spending, the lion's share going for network tv advertising of Nestea Instant tea.

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MARKETING PROFILES

Plans were made to go national on Nestle's two tea mix flavors, "lively orange" and "minty lime."

In 1978, the company also moved into test with Down Home lemonade flavored drink mix.

- Souptime instant soup has become a successful entry into the instant soup market. In 1978, Souptime had over 30% of the $90,000,000 market. There are nine varieties in the line.

Nestle spent $4,791,000 in measured media last year to promote its instant Souptime soup, mostly in network tv. Souptime accounts for approximately one-third of the $100,000,000 instant soup market, according to Nestle.

Nestle LunchTime, a three-minute casserole for one, was expanded to major markets in the East and West last year. There are five flavors in the line. The product is packaged in a serving bowl and is made by adding boiling water.

- Measured media spending for Libby, McNeill & Libby reached over $6,000,000 in 1978, more than half for Libby's canned fruits. Well over $3,000,000 was invested in network television and more than $1,000,000 for spot tv. Magazine spending reached the $1,000,000 mark while newspapers received only $192,000 in media ad money for Libby last year.

Stouffer Foods spent $8,717,400 in measured media advertising last year. Stouffer Frozen Entrees received $3,513,700 and Stouffer Frozen Pizza garnered $2,520,200. More than $7,000,000 went to spot television.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 5,297,800	$10,461,000
Magazines	4,400,500	2,103,300
Spot tv	30,116,800	21,714,100
Network tv	36,866,100	35,684,700
Spot radio	584,200	810,000
Outdoor	133,800	35,400
Total measured ..	77,399,200	70,808,500
Unmeasured	520,100	491,500
Estimated total ..	77,919,300	71,300,000

NESTLE CO.

MARKETING PERSONNEL

P.D. Forsch, vp, mktg services
W.D. Yeager, mgr, adv/sales promo dept
S.H. Merry, adv mgr
I.S. Torbert, adv mgr
J.C. Smith, merch mgr
J.H. Burlick, sales promo mgr
R.J. Lauria, adv production mgr
H.J. Jendras, mkt rsch mgr

Nestle Enterprises used Vincent Price and his wife to tout the company's instant Souptime soup.

A.N. Dries, director, home economics/-consumer services

CHOCOLATE DIVISION

W.I. Savel, vp-genl mgr
W.D. Bell, mgr, div planning
E.S. Roache, mktg mgr, bars/cookie mix
F.J. Arthofer, mktg mgr, grocery products
C.E. Krueger, group product mgr, bar products
V. Williams, group product mgr, Morsels, Choco bake
J.T. Caso, group product mgr, Quik, Hot Cocoa mix
A.J. Limata, product mgr, Morsels
N. Fitton, product mgr, Quik
R.P. Wennerholt, product mgr, Hot Cocoa mix
D.W. Frost, product mgr, Choco'Lite and $100,000 bars
C.A. Kallet, product mgr, regular bars
J.V. McConnell, product mgr, cookie mix
B.R. Bartlett, mgr, test mkt products
T.W. Fuchs, product mgr, distributor specialists/syndicate acct

COFFEE DIVISION

S.W. Phillips, vp, genl mgr
J.E. Thompson, mgr, planning & devel
J.T. Dono, mkt mgr, Taster's Choice
D.A. Groner, mkt mgr, Sunrise
T.R. McInerney, mkt mgr, Nescafe, Decaf
D.R. Bechtel, product mgr, Nescafe
M.W. Alcorn, product mgr, Sunrise
T.D. Pitcher, product mgr, Taster's Choice
J.C. Williams, product mgr, Decaf

TEA/CULINARY DIVISION

W.I. McGirr, vp, genl mgr
T.J. Tanski, mkt mgr, tea products
V.M. Federico, product mgr, Nestea 100%, Spec Tea Products
M.A. Mulholland, product mgr, Nestea lemon, Nestea Light
K.B. Murphy, mkt mgr, culinary products
S. Sennas, product mgr, Souptime
C.L. Davis, mkt mgr, instant meals
R.A. Hiera, product mgr, Special Projects
R.G. Schult, product mgr, Nestea Low Calorie, Nestea mix, flavors

WATER DIVISION

J.E. Cunningham, genl mgr
J.J. Kohles, mkt/sales mgr, Deer Park bottled water

CHEESE DIVISION

W.I. Savel, vp, genl mgr
M.C. Cronin, genl mgr
B.F. Weston, mkt mgr
C.R. Reynolds, group product mgr, new products
L.A. Maurino, product mgr, imported cheese products
K.S. Turner, product mgr, Wispride cheese
A.H. Lin, product mgr, Price's foods

FIDCO & FOOD SPECIALTIES DIVISION

H.B. Rogers, vp, genl mgr
V.K. Wipf, genl mgr, FIDCO
M.M. Bozzi, mkt mgr, cheese, yeasts, Vee-Kreme FIDCO
C.F. Chowenhill, mkt mgr, specialty foods
R.J. Huss, mkt mgr, Hydrolysates FIDCO
R.F. Mutter, group product mgr, Crosse & Blackwell, Maggi
B.D. Milan, product mgr, Crosse & Blackwell, Maggi
N.D. Santaniello, product mgr, imported specialties
B.J. Maloney, group mgr, government/-contract sales
E.O. Elliott, mgr, government/contract sales
D.J. Donnelly, mgr, fund raising
L.J. Smith, mkt mgr, fund raising

FOOD SERVICE PRODUCTS DIVISION

L.D. Ledin, vp, genl mgr
C.M. Smith, mkt mgr
S.D. Augustus, product mgr, vending beverages
B.L. Gustaitis, product mgr, Taster's Choice, Everyday
J.J. Gagliardi, product mgr, Nestea Iced Tea mix, Hot Cocoa mix, Keen
J.F. Klett, product mgr, post & canned beverages

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Nescafe regular & decaffeinated, Taster's Choice regular & decaffeinated, Nestea instant tea products, Nestea canned iced tea, Morsels, Quik, bar goods, Nestle cheeses, Crosse & Blackwell products—W.S. Smith, mgmt director; E. MacDonald, acct super, coffee; Bill Summershield, acct super; J. McGowan, acct super, confectionery, cheese & specialty foods; M. Allen, tea & corporate new products.

Case & McGrath, New York—Nestle cookie mixes, Decaf, Deer Park water—P. McGrath, president; D. Gilbert, super.

N.W. Ayer ABH International, New York—Sunrise, Hot Cocoa mix, Souptime, new products—S. Mattison, mgmt super.

Nissan Motor Corp. in U.S.A.

	1978	1977
Sales†	$10,437,488,000	$10,164,674,000
Earnings† ..	296,000,000	365,000,000
Advertising‡ ...	61,492,200	57,000,000

†Worldwide; fiscal years ended March 31, 1979 and 1978; figures for 1977 restated to reflect current values of U.S. dollars and Japanese yen.
‡U.S. only, estimated by AA

Nissan Motor Corp. in U.S.A., Carson, Cal. (a subsidiary of Nissan Motor Co. Ltd., Tokyo), was the 65th largest national advertiser in 1978, with an ad expenditure estimated at $61,492,200, up about 8% from 1977.

In the fiscal year ended March 31, the parent company, Nissan Motor Co. Ltd., reported 1978-79 worldwide sales of more than $10.4 billion, up 2.7% from the $10.1 billion reported a year ago.

Net earnings for the year were down from year earlier figures, from $365,000,000 to $296,000,000, with the Japanese producer of Datsun cars and trucks manufacturing a total of 2,357,137 units (1.1% below fiscal 1977), 1,195,417 vehicles for domestic use and 1,161,720 for export to the U.S. and other overseas markets.

- Nissan Motor Corp. in U.S.A., the distributor of Datsun cars and trucks, experienced an 11.4% drop in sales in calendar 1978, from 488,217 cars and trucks in 1977 to 432,700 units last year.

Management of the U.S. subsidiary attributes the reduced volume, following a record sales year in 1977, to a series of price increases caused by depreciation of the dollar.

But because of higher gasoline prices, which give Datsun's gas-thrifty economy cars an edge in today's market, and a major restyling of the Datsun line, Nissan sales executives are expecting an equally sharp rebound this year. They point to record sales set in each of the first six months of 1979 as evidence of a turnabout and better things to come.

Nissan's market share in 1978 amounted to 16.8% of import registrations in the U.S. The company ranks fourth in worldwide production behind General Motors, Ford and Toyota.

- Datsun's 1979 model year saw continuance of its creative umbrella "We are driven," designed by agency William Esty Co. to distinguish Datsun from all other small cars and to establish Nissan as a manufacturer dedicated to quality workmanship and value.

Esty's promotional material for Datsun works the formerly unused Nissan logo into the Datsun commercial presentations, giving a higher profile to the corporate name of the parent. Several corporate ads placed by the parent company carried the line, "We are Nissan—the strength behind Datsun's growth."

Although "We are driven" continues as the primary theme on tv, radio and magazines, early 1979 saw the selective use of the "Datsun Saves" line of years past, reflecting expectations of the gasoline price hikes that were to come.

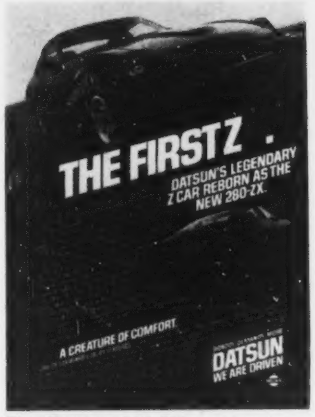
Datsun's 1979 ad campaign began with the announcement of a totally new economy 210 series consisting of hatchback, sedan and wagon as well as news of the all new Datsun 280-ZX.

The new Datsun 280-ZX' subtle refinements to the already classic "Z car" styling and its engineering innovations prompted *Motor Car* magazine to name it the "Import Car of the Year."

- Along with these major new products, Datsun introduced a new high performance/luxury two-door sport coupe to complete the 810 series. It also continued to provide strong ad support to its successful line-up of small pickup trucks with emphasis on the King Cab model.

Close on the heels of this activity came the introduction of the all-new front-wheel-drive Datsun 310, the replacement for the F-10 series. Datsun ads position the 310 as an economical, well-appointed, fun-to-drive car with all the attributes of front-wheel-drive performance.

Going into 1979, Datsun's media plan called for the use of ABC-TV's "Monday Night Football" as the primary launch vehicle for its 1979 model introduction. Datsun's introduction of its new 310 was spearheaded by tv sponsorship of the hit motion picture "Rocky."



The Datsun 280-ZX, a refined version of the classic Z car, was named "Import Car of the Year" by *Motor Car* magazine.

The length of these tv properties permitted insertion of 60-second spots promoting full-line "Datsun Quality" and others set to the theme of "210 Economy and 280-ZX Awesome." Supporting these were 30-second "lifts" as well as separate 30-second spots for individual models within the car lines. The Datsun 310 was introduced with three separate 30-second spots.

- Spot tv and radio selectivity continued to be refined with a gradual increase in sports franchises. But network tv accounted for the biggest gain in the 1978 ad budget, from $16,543,500 in 1977 to $19,310,900 last year. Network radio, unused the previous year, represented an expenditure of $111,200 in 1978.

Datsun's commitment to the college market, with its distribution of over 1,000,000 student Travel Guides to over 180 colleges, took an added dimension with the presentation of the Datsun Focus Film Competition Awards. The awards were made to college level students involved in the art of film making.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$4,365,900	$6,328,000
Magazines	6,350,200	7,664,700
Spot tv	13,840,600	12,836,700
Network tv	19,310,900	16,543,500
Spot radio	7,834,000	5,780,000
Network radio	111,200	—
Outdoor	179,400	201,300
Total measured ..	52,292,200	49,354,200
Unmeasured	9,200,000	8,645,800
Estimated total ..	61,492,200	57,000,000

MARKETING PERSONNEL

R.B. Kent, vp-mktg services
J.M. Opre, adv director
W. Schuh, sales promo merch mgr
J.C. McDonnell, natl pr mgr
R.L. Kimzey, adv programs mgr
C. Briggs, media planning mgr
D. Finley, dealer adv mgr

ADVERTISING AGENCY

William Esty Co., New York—all Datsun vehicles—George Beech, mgmt super.

North American Philips Corp.

	1978	1977
Sales	$2,184,011,000	$1,916,761,000
Earnings ...	68,034,000	61,241,000*
Advertising	42,100,000	44,000,000

***Restated**

North American Philips Corp., New York, the nation's 79th largest advertiser, trimmed its advertising 4% to an estimated $42,100,000 in 1978.

Sales increased by $267,250,000 or 14%, and earnings by $6,793,000 or 11% from 1977.

Consumer electronics products, principally sold under the Magnavox name, gained by $55,624,000 to $379,191,000; electrical consumer products, consisting of Norelco personal care products, home appliances and lighting products were up by $54,162,000 to $359,918,000; sales of additional consumer products and services, including brush products, furniture and musical instruments rose by $21,694,000 to $276,456,000.

Also on the rise were electrical and electronic components, professional equipment, and chemical and pharmaceutical products.

- Magnavox products' measured spending totalled $7,488,800, up $312,000; more than $5,000,000 backed color tv sets. Multiproduct advertising accounted for $617,400 in spot and network tv.

The color tv-radio-phonograph combo unit was allocated $743,100 for tv time. Magnavox invested $536,500 in measured spending for its videotape systems, primarily in spot tv, with $148,500 going into magazines.

Competitive pressures from South Korea and Taiwan imports depressed color tv profit margins in 1978. A trade agreement with Japan alleviated the import problem from that nation. An agreement completed early this year with South Korea and Taiwan limits the number of imports from those countries through June, 1980, when the Japanese pact also expires.

The Philips/MCA optical videodisc player entered the Atlanta market in mid-December and Seattle in May. An optical, laser beam system using LP-type grooveless records, the disc is expected to be national in 1980. MCA's Disco-Vision has a catalog of scores of movies for the disc, from Universal's "Jaws" to Paramount's "Saturday Night Fever."

- Within the volatile home videogame business Magnavox introduced the Odyssey^2 computer videogame system, featuring a 49-position alpha numeric keyboard which users can use for beginning computer programing, as well in a wide variety of electronic games.

Magnavox held an estimated 17.5% share of the home videogame market. The company invested $259,300 in measured spending to advertise Odyssey, all in spot tv.

Two new videocassette recorders were introduced last year: A leader model with a fixed timer for start and stop at preselected times and a high-end programable Touch-Tune model permitting the user to preset the vcr for unattended recording of desired tv programs up to seven days in advance, including four separate channel changes. A new low-cost video sound camera joined the vcr accessory line.

Eight new console stereo units were introduced and the entire modular stereo line was restyled by Magnavox, which experienced a slight decline in console stereo market share. Magnavox supported its stereo consoles with $268,500, all in magazines.

Two new portable and table model radios were introduced, as were clock radios and radio cassette players, a new turntable series, Project 7, and a new line of U.S.-manufactured audio receivers.

- Norelco cord and rechargable Silver Rotary Razors, introduced in late 1977, remained the best sellers in that category. Sales and market share for the Norelco razor line again reached record levels, with the cord adjustable Rotary Razor again the leading brand.

Norelco invested $8,032,700 in measured spending alone to advertise its electric and cordless shavers, including $7,098,800 in network tv. An additional $122,200 was invested in magazines for the cordless shavers only.

The Norelco Curly Q mist styling wand continued as the leading seller in the market. A smaller Gotcha Gun hair dryer and a compact Curly Q with retractable curl-

MARKETING PROFILES

ing iron and dual voltage are due this year. Norelco invested $399,600 to advertise its hand-held dryers, all in spot tv.

A strong p.o.p. campaign for Norelco coffee makers contributed to its sales increase. Express, a one-to-four-cup unit that also makes espresso, was added to the product line in 1978. Norelco put $1,157,000 in advertising behind its coffee makers, using spot and net tv.

- A $5 rebate program for Norleco's Toaster Range helped boost its sales and market share last year when Norelco invested $737,700 in Toaster Range tv advertising.

Meanwhile, sales of Norelco's mini fast-food appliances were hurt by a lessening of consumer demand in 1978. Dial-a-Blade, a new six-position slicing disk accessory for the Norelco food processor was well received.

A total of $131,400 was invested in magazines for the Burger Cooker and $252,700 in spot tv for the Lickety Split ice cream maker.

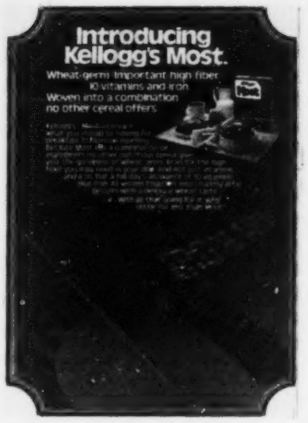
The distribution network for Norelco microwave ovens, broadened in 1978, is being further expanded in 1979. Measured spending totalled $115,000 in magazines for that line.

Norelco's Home Patrol security system, introduced last fall, was not marketed significantly until the first half of 1979. The $259.95 basic system ties together a network of wireless sensors attached to windows, doors and other points of entry. Additional sensors range from $30 to $58 each. Only $63,000, all in magazines, was invested in 1978 advertising for the system.

- A new GS600SR Genie garage door opener system in a carry-out package with do-it-yourself instructions was introduced this year. A total of $4,099,200 supported Genie last year, nearly all in spot tv.

New Norelco lighting products included an 18-watt Mini-Sox low pressure sodium lamp and 70 and 100-watt high pressure sodium lamps. Sales grew for the energy-saving Econo-Miser fluorescents. A $300,000-plus packaging and merchandising display program featured a promotional tie-in with Olympic star Bruce Jenner and the Special Olympics.

Sales of professional equipment gained 12% to $409,200,000. Earnings gains in the medical systems and government and industrial electronic equipment areas were more than offset by a provision for loss on the 1978 discontinuation of the company's data systems operations. Measured spending for Norelco dictating and transcribing equipment totalled $232,100, all in magazines.


Introducing Kellogg's Most.
Wheat-germ. Important high fiber. 10 vitamins and iron.
Woven into a combination no other cereal offers.

Kellogg's Most high-fiber cereal was its 1978 success story. The wheat cereal moved into national distribution in early 1979 after successful test marketing.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,740,200	$1,605,300
Magazines	2,638,300	2,047,500
Farm publications	135,700	137,300*
Spot tv	10,890,200	11,942,100
Network tv	11,297,700	11,946,100
Spot radio	327,400	150,000
Network radio	—	233,200
Outdoor	1,000	6,900
Total measured	27,020,500	28,068,400
Unmeasured	15,179,500	15,931,600
Estimated total	42,100,000	44,000,000

*Listed under Thompson-Hayward Chemical Co.

CORPORATE MARKETING PERSONNEL

J. Richard Gonzalez, adv director
Albert Ruttner, pr director

CONSUMER PRODUCTS DIVISION

MARKETING PERSONNEL

Richard Q. Kress, president
John Grey, vp
Robert Parson, director of sales
Robert Moes, mgr/personal care group
Robert Liguori, mgr/microwave oven group
Patrick Campbell, mgr-appliance group

ADVERTISING AGENCY

McCaffrey & McCall, New York—institutional, electric razors, home appliances, personal care products—Robert V. Graham, mgmt super; Jack Bloom, acct super; Harrell Lott, acct super.

MAGNAVOX CONSUMER ELECTRONICS DIVISION

MARKETING PERSONNEL

Kenneth C. Meinken Jr., president
Kenneth Ingram, senior vp, mktg & sales
Rita Hunter, adv director
Robert Jones, director, pr

ADVERTISING AGENCY

William Esty Co., New York—Don Rice, senior vp, acct services; Robert Crothers, acct exec.

Norton Simon Inc.

	1978	1977
Sales*	$2,428,797,000	$1,807,736,000
Earnings	115,814,000	101,773,000
Advertising	144,591,000	127,115,000

*Fiscal 1978 vs. Fiscal 1977

Norton Simon Inc., New York, the 19th largest national advertiser, increased its advertising an estimated 14% in 1978 to $144,591,000.

NSI's revenues and net income again reached all-time highs, led by strong gains at Avis and Hunt-Wesson. Revenues for the first nine months of fiscal 1979 increased 14% to $2,007,115,000, while net income advanced to $90,140,000.

In NSI's food and food service operations, Hunt-Wesson achieved new sales and operating profits highs as a result of growth in its convenience food, food service operations and profit gains in its edible oil business. The gains came despite heavy competition faced by Hunt's tomato products.

- During the year, NSI further strengthened its corporate marketing organization with the addition of a new team of marketing directors at corporate headquarters headed by Randall W. Hackett, vp-marketing, who joined the company from ITT's Continental Baking division.

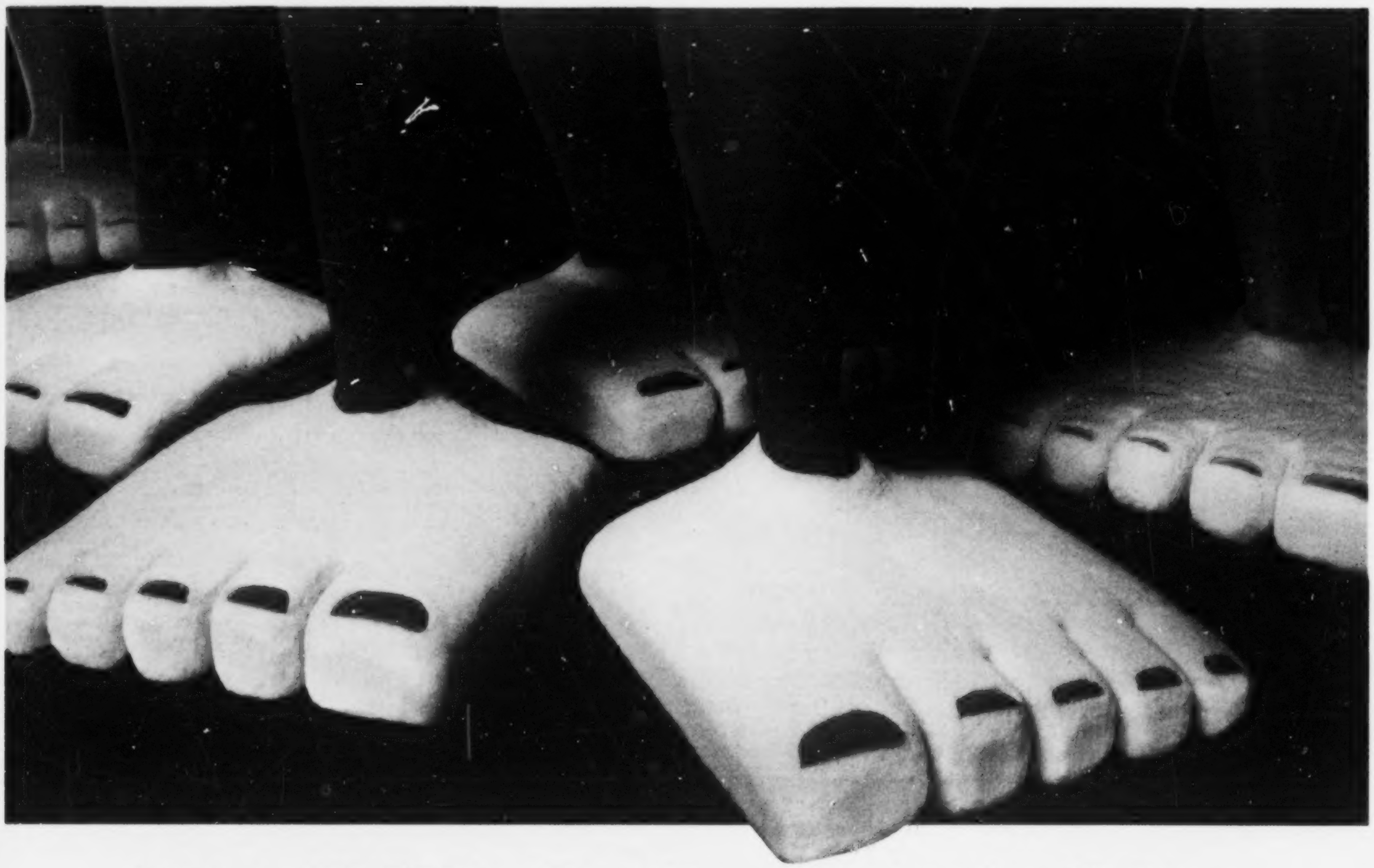
Marketing directors have been assigned to each segment of NSI's business—food and packaging, transportation and leisure, cosmetics and fashion, and beverages.

Advertising costs for Hunt-Wesson exceeded $36,000,000 in fiscal 1978, a $2,000,000 increase over the previous year's budget.

Hunt's Manwich Sandwich Sauce, Orville Redenbacher's Gourmet Popping Corn, and Wesson Oil were among the most heavily advertised Hunt-Wesson products, with measured media expenditures of $3,928,000; $4,697,300, and $4,615,100, respectively.

Hunt-Wesson spent $957,900 testing a 100% sunflower oil called Sunlite last year. Targeted to the health conscious shopper, the oil was tested originally in Denver and Seattle and will be in full national distribution by early 1980.

- A particularly successful campaign launched during 1979 was a promotion backed by tv and print called "Free for all." It reached 80% of U.S. households and offered



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consumers one free Hunt's tomato product with the purchase of three others.

Additionally, "Red Strategy" was developed to advertise and promote Hunt's tomato product line, using Tony Randall as spokesman.

■ Benefiting from continued airline traffic growth, Avis, acquired in July, 1977, posted record revenues and earnings for the first nine months of fiscal 1979.

The U.S. Rent-A Car, Europe, Africa and Middle East divisions turned in especially strong performances. Growth in these markets was stimulated by both the high level of business overseas and a combined ad budget of $5,282,300.

Avis maintained its position as a leading company in the rent-a-car industry worldwide. Advertising expenses for the entire Avis network were approximately $20,000,000.

Avis' worldwide advertising and promotion relationship with General Motors, which became effective Sept. 1, 1978, has helped strengthen the company's market position. According to a company study, Avis was the only one of the three major companies to maintain its market share in the face of increased competition and heavy price discounting.

Despite the gas shortage this year, Avis reported that business was booming and that rentals were up during the fuel pinch. Industry sources said that the full tank of gas that comes with the car has become an important lure both to travelers and local drivers. During the shortage, Avis distributed brochures on fuel savings tips to help customers obtain the best possible gas mileage.

During the year, the company launched a campaign for its leasing segment in an effort to increase its share of a market that is not currently dominated by any leasing operation. The $1,000,000 campaign featured the theme, "We try harder in more ways than one." The truck rental and truck and car leasing segments are a growing portion of the company's operations.

Avis also moved off in a new marketing direction to capture a major share of the fast-growing leisure car rental market, while still seeking to improve market share among business travelers. In the campaign, Avis introduced "Supersaver" packages; a holiday rate, a weekend rate and a seven-day "see America" rate.

■ Max Factor's measured advertising expenditures increased for the second consecutive year. Creams and lotions spent $518,300 in spot tv and magazines; lipstick, $185,300 in magazines and spot tv; Erace, $62,700 in magazines; eye makeup, $33,600 in spot tv; Geminesse creams and lotions, $59,000 in magazines; mascara, $235,400 in spot tv; multiproduct advertising, $15,700 in magazines, and nail polish, $33,800 in magazines and spot tv.

Measured advertising support dropped significantly for UltraLucent nail polish, lipstick and makeup with ad dollars for the line totaling $63,600, or 11% of the previous year's budget. Ad dollars subtracted from the UltraLucent support were undoubtedly added to the Maxi cosmetics campaign, initially launched in 1977. More than $935,000 backed the Maxi line in magazines. Network and spot tv shared the remaining $3,379,000 in eye and lip makeup billings.

Continuing support for the Maxi cosmetics line and basic makeup and fragrances categories, and the introduction of new or newly packaged fragrances and makeup lines accounted for the increase in advertising expenditures.

Last year Factor started national distribution of Whipped Creme cosmetics supported by a campaign that appeared in women's magazines nationwide. The line includes moisturizer, moist makeup, blusher and eye shadow.

Robert J. Kamerschen, who joined Norton Simon as a senior vp in January with extensive experience in sales, marketing and operations gained from prior posts as president of Chanel Inc. and Christian Dior Perfumes USA and vice president of marketing for Revlon, was named president and chief executive officer of Max Factor. He succeeded Dale Ratliff, former Revlon sales executive, who died suddenly in April.

■ Somerset Importers sales and earnings moved up for the first nine months of fiscal 1979, due primarily to gains in volume and market share for Johnnie Walker Red and Black Label scotches and Tanqueray Gin.

The Black Label scotch was backed by a $2,314,900 print and outdoor budget plus a $304,000 magazine sweepstakes. The Red Label scotch was backed by a $3,670,600 print and outdoor budget plus a $412,700 newspaper and magazine contest. The $1,330,800 gin advertising was divided among magazines, newspapers and outdoor.

During fiscal 1979, Tanqueray Gin retail sales passed the annualized rate of 1,000,000 cases, joining 35 other domestic and imported spirits with annual retail sales of more than 1,000,000 cases.

Somerset Wine Co. appointed Avrett, Free & Fischer, New York, to handle new products, though most of the company's existing products are unadvertised.

■ Canada Dry ginger ale and premium mixers maintained their leadership in the U.S. backed by $1,132,500 in magazines and $9,700 in outdoor. Canada Dry continued its support of Barrelhead Root Beer and Orange Spot, which were introduced into new markets in 1978.

Advertising and sales promotion spending increased for Canada Dry for the third consecutive year. In measured media, beverages divided $6,549,100 among spot tv, magazines, network tv and outdoor.

During 1979, Canada Dry launched its "2/3 of your drink" campaign in tv and print for all of its mixers. The campaign was responsible for about 66% of Canada Dry's ad spending and highlights the importance of the mixer to the taste of a drink.

Canada Dry also launched a campaign for its ginger ale urging consumers to "say goodbye to sweet soft drinks and hello to Canada Dry ginger ale." The new ad effort replaced its "Not too sweet," advertising campaign.

■ As part of the $552,500 it spent in magazines in 1978, Canada Dry club soda aimed its ad efforts at Perrier sparkling water. The ads cited greater preference for the American water among several connoisseurs and used the headline "Au revoir Perrier" to needle the foreign marketer.

Diet beverages allocated $51,600 for spot tv advertising; tonic water, $580,000 for magazines; while regular and diet beverages spent $186,000 on spot tv.

Canada Dry introduced Wallaby Squash, a lightly carbonated lemon-flavored beverage in Kansas City this fiscal year. In bottles and cans, the entry has gotten $245,300 in tv, newspaper and coupon support.

Overseas, Canada Dry invested heavily in the Egyptian market, which attracted a myriad of soft drink marketers last year. The move was an effort to secure part of the 50,000,000 case-per-year Egyptian business.

Despite continued softness in the home sewing market, NSI's McCall Pattern Co. spent over

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MARKETING PROFILES

$1,500,000 in measured media for its sewing patterns. Cheryl Ladd and Jaclyn Smith patterns were added to the successful line of Marlo Thomas and Halston patterns.

Halston Enterprises maintained its fashion leadership in made-to-order and ready-to-wear lines, and continued its expansion in licensed designs for men's and women's apparel, bed linens, towels, sunglasses, luggage, carpets and women's handbags. A new division, Halston Sportswear, introduced its first line to the trade earlier this year for sale this fall.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$4,707,600	$5,758,300
Magazines	16,339,100	14,872,700
Spot tv	14,400,300	12,506,400
Network tv	18,241,700	29,440,700
Spot radio	524,500	922,000
Network radio	12,200	196,700
Outdoor	2,285,000	2,370,800
Total measured ..	56,510,400	66,067,600
Unmeasured	88,080,600	60,074,400
Estimated total ...	144,591,000	127,115,000

NORTON SIMON INC.

MARKETING PERSONNEL

Randall W. Hackett, vp-mktg
Joseph W. Daly, director media
Peter S.P. Dimsey, mktg director, food & packaging
Albert W. Dold, mktg director, transportation & leisure
H.F. Kurz, director, cosmetics & fashion
John McMennamin, director, mkt rsch & new products
Arthur Ostrove, mktg director, beverages

AVIS INC.

MARKETING PERSONNEL

John Manton, corp vp, mktg
Gerald Swartz, mktg services mgr
Edwin Lamont, director, mktg, U.S. rent-a-car
George Mead, vp, adv, U.S. rent-a-car
William Proud, director, mktg, U.S. truck
Lawrence Mazur, director, mktg, U.S. car leasing
William Dix, director, mktg, Europe, Africa, Middle East
George Favacho, mktg mgr, Asia, Pacific

ADVERTISING AGENCIES

David Oksner & Mitchneck, New York—car leasing, used car sales, corp adv. Mitchell Siegal, vp, mgmt super; Tom Butters, acct super; Rick Cusato, acct exec.

Doyle Dane Bernbach, New York—rent-a-car—Allen O. Pando, group senior vp; Lawrence J. Iannuzzelli, senior vp, mgmt super; William F. Mattes, acct super; Richard Van Winkle, acct exec.

MAX FACTOR & CO.

MARKETING PERSONNEL

Maurice Weiss, exec vp, mktg/U.S. division
Jane Lewis, senior vp, creative services
Bob Bauman, vp, mktg, fragrances
Jerry Crosby, vp, mktg, Max Factor fragrances
Carol Corbett, vp, creative director
Stewart Brown, adv director
Gerald Kern, exec vp, U.S. sales

ADVERTISING AGENCY

Wells, Rich, Greene, New York—Max Factor & Co.—Gene Taylor, senior vp, acct group head.

SOMERSET IMPORTERS LTD.

MARKETING PERSONNEL

Stuart L. Sax, senior vp, mktg
Vincent S. Machi, vp, mktg services
Ernest Feldman, vp, group mktg director
Roger Slone, vp, group mktg director
Richard F. Vreeland, vp, group mktg director
Richard J. Wonsik, vp, group mktg director
Marilyn C. Jerome, brand mgr
James F. Mullahy, brand mgr
Frank A. Muller, Anthony Palmisano, Robert P. Saunders, Albert J. Wagner, brand mgrs
Allen M. Friedman, director, creative services
Margaret E. Barrington, mgr, trade & pr
Pat Cartolano, mgr, mktg admin

SOMERSET WINE CO.

MARKETING PERSONNEL

Terrence D. Clancy, president
William J. Deutsch, vp, natl sales mgr
Joel S. Silber, director, planning

ADVERTISING AGENCIES

Smith/Greenland, New York—Johnnie Walker Red Label scotch, Johnnie Walker Black Label 12-year-old scotch, John Begg Blue Cap and John Begg Gold Cap 12-year-old scotch, Tanqueray gin, Mandarine Napoleon liqueur, Hine cognacs. Murray Platte, exec vp, mgmt super; Henry Wenthen, vp, acct super.

McDonald & Little, Atlanta—Old Fitzgerald, Cabin Still, W.L. Weller, Rebel Yell bourbons, Canada Dry bourbon, Canada Dry gin, Canada Dry vodka, Aalborg akavit, Johnnie Walker Swing scotch, Crawford's scotch. Oliver Kiss, mgmt super; R. Maddock, acct super.

Avrett, Free & Fischer, New York—San Martin premium California wines, Alexis Lichine French wines. Keith Fischer, mgmt super; Peter N. Murray, acct exec.

HUNT-WESSON FOODS

MARKETING PERSONNEL

Albert J. Crosson, exec vp
William J. Kissell, vp, consumer mktg
James F. Frawley, director of mktg, convenience foods
E. Richard Sieminski, mktg director, tomato products
James M. Myers, mktg director, oil products
Marc Feidelson, director, adv services
Joseph E. Potocki, director, merch sales
Robert H. Knies, mgr, graphic services
William Barnes, director, mktg rsch
G. Sterling Brady, mgr, sales forecast planning
William E. Luna, vp, genl sales mgr
David Hopwood, vp, foodservice sales & mktg
Dale D. Hardner, director, mktg devel

ADVERTISING AGENCIES

Botsford Ketchum, San Francisco—Hunt Wesson Snack Pack, Manwich, Orville Redenbacher's Gourmet Popping Corn, Big John's Beans 'n Fixins, Hunt's ketchup, Hunt's tomato paste, Hunt's tomato sauce, Prima Salsa spaghetti sauce, other tomato products. Robert Kroyer, Richard Edler, mgmt supers.

BBDO, New York—Wesson Oil, Sunlite, Snow-drift shortening, Pfeiffer Foods. Richard Bonnette, mgmt super.

Foote, Cone & Belding/Honig, Los Angeles—Reddi-Whip, Wesson Buttery Flavored Oil. Flagg Taylor, acct super.

CANADA DRY CORP.

MARKETING PERSONNEL

Arthur E. Wilen, president, U.S. operations
Francis I. Mullin, vp, mktg
Edwin J. Ochmanek, vp, natl sales
John G. Clarke, mktg mgr, new products

CANADA DRY—CANADA

MARKETING PERSONNEL

John Bull, president
R.M. Brown, adv mgr
R.L. Segal, mktg director
N. Prefontain, product mgr, flavors
D. Neylan, product mgr, mixers

CANADA DRY INTERNATIONAL

MARKETING PERSONNEL

R.Q. Armstrong, president

ADVERTISING AGENCIES

Grey Advertising, New York—Canada Dry. Stewart Hegleman, mgmt rep. Thomas Kirmayer, mgmt super.

Foster Advertising, Toronto—Canada Dry Canada—Blair Campbell, acct exec.

Grey Advertising, Montreal—Canada Dry Canada. Lise Fortin, acct exec.

John Straiton & Partners, Toronto—C-Plus, Wink, Sport Cola. Ed Martin, acct group

HALSTON ENTERPRISES

MARKETING PERSONNEL

Michael Lichtenstein, managing director
Michael Pellegrino, mktg director

McCALL PATTERN CO.

MARKETING PERSONNEL

Robert L. Hermann, vp, sales & merch
Robert Gossett, vp, genl sales mgr
Joseph Nearby, vp, mktg

ADVERTISING AGENCY

Rosenfeld, Sirowitz & Lawson, New York—Peter Hine, exec vp, group head; Susanne McMillan, acct super; Ellen Parry, acct exec; Joyce Feirstein, asst acct exec.

Noxell Corp.

	1978	1977
Sales	$156,408,000	$137,628,000
Earnings	10,491,000	9,396,000
Advertising*	34,902,400	33,255,500

***AA estimate**

Noxell Corp., Baltimore, the 90th largest national advertiser, is estimated by ADVERTISING AGE to have increased its advertising expenditure by only about 5% to $34,902,400 in 1978.

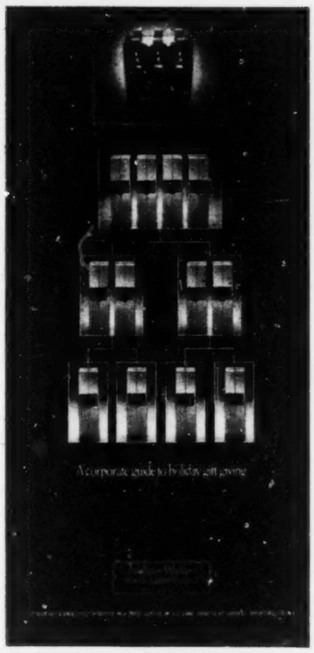
The marketer of facial makeup and skin cremes, as well as some household products, said sales climbed 13.6% to $156,408,000 while earnings increased 11.7%.

The company said that sales in its cosmetics division were strong and that every Cover Girl product increased its share of market figures. New makeup products included Cover Girl Professional mascara and Color-Matics eye shadow.

In the nail enamel category, which the Cover Girl line entered for the first time in 1977, spending was up sharply to $4,099,500 for NailSlicks, from $890,600 the previous year. In 1977, all ad dollars went into magazines, but in 1978 more than $3,000,000 was spent on net tv. The company said it doubled its introductory sell-in in 1978.

- Cover Girl makeup continued its dominance in liquid facial makeup, though ad spending was cut more than $2,000,000 to $7,457,300 in 1978. Cover Girl Moisture Wear, for women over 25, got $509,700, all in magazines.

Noxzema skin cream is said by the company to be "the most widely used product in the face cream and lotion category." Prices were increased again this year, but advertising held steady at $5,369,500 in measured media. Kathryn Crosby was introduced as spokeswoman for the brand in advertising to emphasize the importance of the mature woman as a customer.



Norton Simon Inc.'s Somerset Importers witnessed sales and earnings gains with the help of volume increases for Johnnie Walker Black Label.

After a year in test markets, Noxzema Antiseptic Skin Cleanser was launched nationally in the fall of 1978. It is a softening, but astringent, product geared to teens. Spending, all in magazines, from the fall to the end of 1978 was $193,000. "Tough on oil, but easy on your skin," is the ad theme.

Noxell's Lestoil is the No. 1 household cleaner in its marketing area, which covers most of the country east of the Mississippi. Advertising spending held steady at $1,616,500. A line extension of Lestoil was introduced nationally last year—Lestoil Deodorizing Rug Cleaner, which is geared to the pet-owning consumer. Spending was all in spot tv at the rate of $431,200.

- RainTree, a moisturizer in cream, lotion and concentrated formulas, continued its sampling efforts in its attempt to increase its share in a competitive area. Measured media spending was down almost $2,000,000 to $3,933,200, primarily going toward net tv.

In the eye makeup category, Noxell said 1978 was its best year since the introduction of the line in 1971. Cover Girl mascara added the new Professional entry with a "curl brush" to its product mix.

Mascaras got $4,553,500 in measured media spending, while other eye makeup was supported by $1,015,800 split between net tv and magazines. Another new product in this area was the Color-Matic cream-on eye shadow.

Noxzema medicated shaving cream dropped to the No. 3 slot in the market, as it was edged out by S.C. Johnson & Son's Edge. Noxell, in a move to counter Edge, introduced a new Anti-Friction cream-gel shave. It is described as a "gel that comes out foaming."

The company launched this product with a sexy spokeswoman known as Auntie Friction portrayed by Caroline Munro.

The campaign was discontinued in early 1979 due to ineffectiveness, the company said, but Auntie Friction also came in for some criticism from the National Federation for Decency. The shaving creams got $1,398,800 in spending in 1978, down slightly from the previous year.

ADVERTISING EXPENDITURES

	1978	1977
Magazines	$6,113,400	$6,555,700
Spot tv	3,591,400	3,821,300
Network tv	23,437,600	21,732,800
Spot radio	902,400	288,000
Newspapers	—	2,500
Total measured ..	34,044,800	32,400,300
Unmeasured	897,964	855,204
Estimated total ...	34,902,444	32,255,504

MARKETING PERSONNEL

George L. Bunting Jr., president
Marvin L. Hathaway, exec vp-domestic
R.G. Duke, vp-toiletry/household products mktg
F.J. Harrison, vp, cosmetics products mktg
R.H. Yeager, P.M. Troup, group product mgrs
E.H. Levering, vp-sales
D.J. Gallow, director of mkt rsch

ADVERTISING AGENCIES

SSC&B, New York—Noxzema skin cream, Cover Girl products, RainTree moisturizer, new products—T. Kirk Parrish, Elwood Gair, exec vps; Paul LaStayo, F. Stone Roberts, senior vps, John van der Kieft, Frank LaRonca, vps; Anastasia Vournas, acct. super; Dorothy Scourby, Emmy Lou Kelly, Cynthia Hurley, acct execs.

William Esty Co., New York—Noxzema shave cream (regular, menthol, lime and Wild Forest), new products—Richard van den Bosch, mgmt super; Steve Moynahan, acct super.

Foote, Cone & Belding, New York—Lestoil, new products—James Guthrie, group mgmt super; David Kreps, mgmt super; Barbara Hill, acct exec; Maria Malone, acct coordinator.

Case & McGrath, New York—new products—Pat McGrath, president, acct mgmt, Gene Case, partner, creative director.

Scali, McCabe, Sloves, New York—new products, chili—Richard Roth, senior vp, mgmt super; Stuart A. Epstein, vp, acct super.

J.C. Penney Co.

	1978	1977
Sales	$10,845,000,000	$9,369,000,000
Earnings ...	276,000,000	290,000,000
Advertising*	125,000,000	100,000,000

***AA estimate**

J.C. Penney Co., New York, the 27th largest U.S. advertiser, hiked its national advertising 25% from $100,000,000 to an estimated $125,000,000 in 1978.

The total includes an estimated $90,000,000 for catalogs, but does not include Penney's retail advertising for individual stores in local newspapers, estimated at $185,000,000.

Penney's over-all advertising spending worldwide in '78 came to $285,000,000, up about 27% from $224,000,000 in 1977. The worldwide figures do not include local newspaper spending.

Sales in 1978 rose 15.8%. Volume of $10.8 billion broke last year's record of $9.4 billion, but increased operating expenses pushed earnings down 4.8% to $276,000,000. Excluding sales of domestic supermarkets and five Italian stores, which were discontinued in 1977, sales increased 17.8% in 1978. In November, the chain set a monthly sales record of $1.01 billion.

- The chief contributors to the sales increase were full-line stores and catalog sales. Sales of full-line stores in 1978 were $6.6 billion, or 60.5% of total company sales. Soft-line stores generated $2.5 billion, 23.2% of company sales. Both full and soft-line units suffered profit margin erosion in 1978 as a result of increased operating expenses and higher markdowns.

Catalog sales rose 20% to $1.2 billion, surpassing last year's record of $1 billion. Of this amount, $970,000,000 came from sales through catalog centers in stores, while mail order and outlet store sales of $230,000,000 made up the remainder.

Color that looks wet, even when it's dry!
Cover Girl
NAIL SLICKS.
Color that strengthens

Noxell Corp. boosted spending for NailSlicks nail enamel, part of the Cover Girl line, by more than four times from '77 to 78.

Sales of Penney's Belgian operations rose 22% to $768,000,000 in 1978 from $625,000,000 in 1977. Belgian profits for 1978, in local currency and after the effect of currency translations, improved over 1977.

The Treasury Stores registered losses for the fifth consecutive year, despite a 24.6% increase in sales over 1977.

- Drug store sales climbed to $348,000,000, up 16.7% from $298,000,000 in 1977. Penney opened 42 new drug stores and closed six in 1978.

Combined net income for the insurance operations continued to set records, advancing to $22,000,000 from $15,000,000 in 1977. Improved underwriting experience in both casualty and life insurance are credited with the increase. The number of individual policyholders exceeded 1,000,000 by the end of 1978.

The three Treasury Stores in the Chicago area were slated for sale. Two were scheduled to close at the end of March, 1979. Three stores are thought to be too few to compete effectively in the large Chicago market area.

In 1978, Penney opened 28 full-line and 33 soft-line stores. Two stores were opened in Belgium and 42 drug stores were added to the domestic chain. In-store insurance centers were opened in 13 stores, bringing the total number of centers to 33. The first catalog distribution center to serve the West Coast opened in Reno, Nev., early in 1979.

- Expansion plans for 1979 include 37 full and 26 soft-line J.C. Penney stores, 36 drug stores and three stores in Belgium. Catalog sales centers are slated for 245 stores in California, Hawaii, Oregon and Washington. A sixth distribution center, located in Manchester, Conn., is under construction.

J.C. Penney main merchandise categories are women's apparel and accessories, men's wear, children's wear, leisure and automotive equipment, home furnishings and home improvement.

Since 1974, Penney's has been changing its marketing strategy from a private label, price-conscious general merchandiser to a more moderately priced, higher fashion department store. Special efforts have been made to appeal to the store's established clientele—80% of whom are female, rather than to attract a new type of customers.

Name brands and moderate price contemporary fashions have been added to attract the growing numbers of working women and to appeal to those women who buy menswear, children's wear and household goods at Penney's, but shop for their own clothing elsewhere.

- The Women's Fashion Program, which is geared to local trends and tastes, is now in 200 stores in 27 markets. An additional 200 stores are expected to join the program in 1979.

Last year marked the integration of the "This Is J.C. Penney" theme into all Penney advertising. The catch-all phrase reinforces the new fashion-conscious, contemporary image of the store. National campaigns, predominantly in network tv, continued to concentrate on value and price, as well as style.

Approximately 20% of Penney's 1978 ad budget went to fashion-oriented items. The Fox Shirt and Plain Pockets jeans continued to be featured in national television campaigns directed to young men.

National print campaigns backed Olympic shoes, Penney's line of sports footwear; stereo components; microwave ovens, and dishwashers. J.C. Penney, Celanese and Toni Silkwave shared the spotlight in a *Glamour* summer apparel ad, carrying "the Soft Life"

If Super Dennis can't wreck Super Denims, neither will your kids.

J. C. Penney continued its campaigns for Plain Pockets jeans, which are directed to young man.

as its theme line. *Co-Ed* readers were invited to a beauty makeover at J.C. Penney via a full-page color ad, supported by additional ads placed by participating cosmetics companies.

- Men's sportswear continued to be the single most heavily advertised product area, with $10,521,500 spent in measured media in 1978, almost double the 1977 figure of $6,392,400. The battery was again the most heavily advertised single product, backed by $7,025,100 in measured media.

Of Penney's $54,644,200 in measured media, $29,674,300, or about 53% of the entire measured budget, went to network tv. The allocations: $7,863,200 for men's sportswear, $5,776,700 for batteries, $2,900,800 for women's apparel, $3,330,700 for home entertainment and $272,000 for family shoes. An additional $2,031,900 was spent on spot tv advertising for miscellaneous items.

ADVERTISING EXPENDITURES

	1978	1977
Magazines	$3,932,300	$2,257,500
Spot tv	19,223,500	15,549,200
Network tv	29,674,300	18,940,500
Spot radio	740,700	—
Network radio	1,671,600	351,100
Outdoor	142,500	198,300
Total measured	55,384,900	37,296,600
Unmeasured	69,615,100	62,703,400
Estimated total	125,000,000	100,000,000

MARKETING PERSONNEL

Howard Evans, vp-director, corp mktg
William Johnson, vp-director pr
John Lucas, mgr, adv
James Boynton, mgr, media planning
Warren Parker, mgr, display
Thomas Fox, mgr, mktg devel
Dean Clopton, mgr, packaging & display
Robert Allen, mgr, display presentation
Tom Jewell, mgr, visual merch

ADVERTISING AGENCIES

McCaffrey & McCall, New York—natl adv—William J. Vieser, senior vp, mgmt super; Peter Seymour, acct exec; John Foristel, vp-acct super.

Wells, Rich, Greene, New York—J.C. Penney Financial Services—Bill Clement, acct exec; Marty Mitchell, asst group head.

PepsiCo Inc.

	1978	1977
Sales	$4,300,006,000	$3,649,291,000
Earnings	225,769,000	196,741,000
Advertising*	156,000,000	124,000,000

*Estimated by AA

PepsiCo Inc., Purchase, N.Y., the 16th largest national advertiser, increased U.S. advertising about 26% in 1978 to an estimated $156,000,000.

PepsiCo's earnings rose 15% in 1978, to $225,769,000 from $196,741,000 in 1977. Sales for 1978 were $4.3 billion, topping the $4 billion mark for the first time and up 18% from $3.65 billion in 1977.

Pepsi-Cola, the country's second most popular cola and climbing, is the heart of this company's operations, which also include snack foods, sporting goods, food services and transportation.

With franchises added in Brunei, Liberia and Somalia, Pepsi-Cola is now available in 142 nations and territories outside the U.S. PepsiCo will be expanding its Pepsi-Cola plants in the Soviet Union from five to 10 as the result of an exchange agreement tied to increased sales of Russian Stolichnaya vodka in the U.S. Pepsi is the U.S. distributor of the vodka.

- Pepsi-Cola, which has an 18% share of the U.S. soft-drink market, compared with its archrival Coca-Cola's 25%, boosted its 1978 measured media spending for its cola to more than $33,000,000 from $24,410,000 in 1977. The bulk of this outlay was in network and spot television.

Other media spending was linked to tie-ins in an attempt to lure the youth market by promoting the show "Beatlemania," the movie "Grease" and a tv special starring Fleetwood Mac.

Under slight pressure from the National Advertising Division of the Council of Better Business Bureaus, Pepsi-Cola again agreed to revise its Pepsi "challenge" advertising. The revised ads were to state that "more people prefer Pepsi over Coca-Cola" instead of implying that those who preferred Pepsi were inveterate Coke drinkers newly swayed to the delights of Pepsi. The commercials have sparked some heated discussions on comparative advertising.

The Pepsi challenge spot is running in about 22% of the country.

- New to the corporate family of soft drinks in 1978, which also includes Diet Pepsi, Mountain Dew, Teem, Pepsi Light and On-Tap, was Aspen, an apple-flavored, low in carbonation soft drink. Aspen is designed to challenge lemon/lime as the leading noncola flavor.

The tv commercials for Aspen, which were created by Ogilvy & Mather, feature actor Patrick Wayne and former Miss USA Debbie Shelton with the theme "The new soft drink with just a snap of apple." Aspen was supported with $1,000,000 in media placement when it was test marketed in Los Angeles in mid-1978. A record $2,000,000 marketing campaign was behind Aspen when it was launched in Philadelphia earlier this year.

The Aspen introduction in Philadelphia was coordinated by J.M. Korn & Son, the Philadelphia-based advertising agency for local Pepsi bottlers.

While the company's "Have a Pepsi day" campaign went into its third year in 1978, there were agency changes for some of its other soft drinks. Pepsi rewarded its main agency, BBDO, with another piece of business, Pepsi Light, and added J. Walter Thompson Co. to the roster to handle Aspen, Teem and On-Tap.

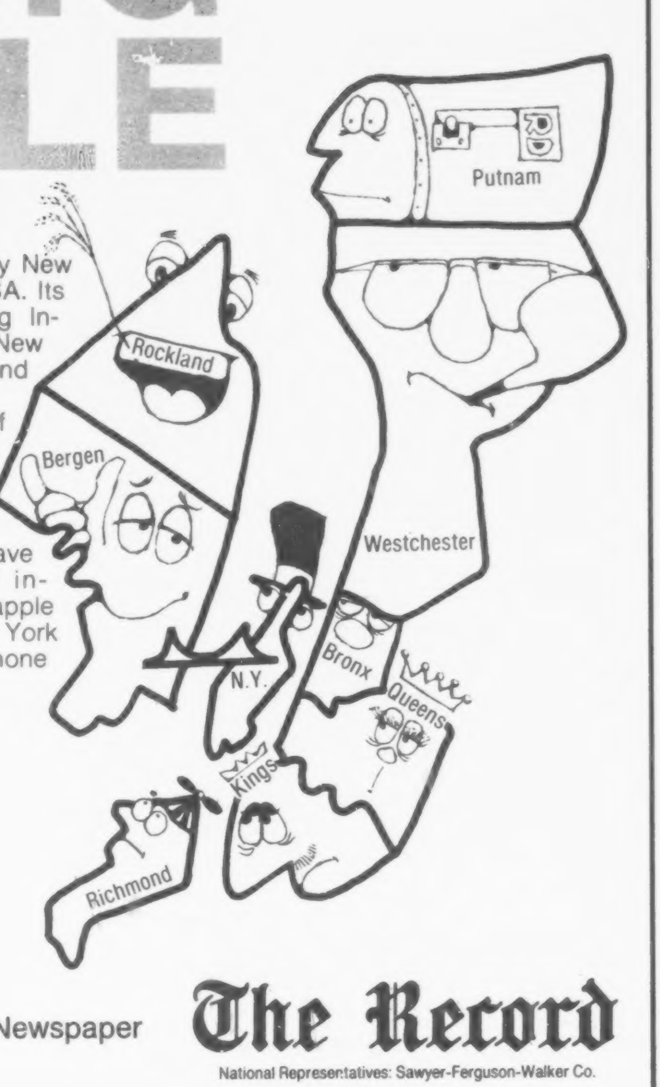
Pepsi Light and Teem were previously at Scali, McCabe, Sloves, while Aspen and On-Tap were at Ogilvy & Mather. The brands were moved after Ogilvy took on the $14,000,000 Royal Crown assignment.

Billings on Pepsi Light are estimated at $4,000,000 as the company prepares to reintroduce the brand without sugar this year. Since its debut four years ago, the brand has been a reduced calorie but not a sugar-free entry. All of the brands assigned to JWT are either in test or in limited distribution.

As for BBDO, Pepsi wanted to reward the agency for what it called an excellent job without overloading the shop. BBDO already handles Pepsi, Diet Pepsi and Mountain Dew. Copy strategy for all the brands was to remain the same but new executions were to be created.

Pepsi was believed to be upset about having to remove Teem from Scali, McCabe since the brand, although still in limited distribution, has become the fastest growing soft drink in the U.S., according to Pepsi figures presented to bottlers at a convention in September 1978. The brand is promoted as "for the worst thirst." Scali had the brand

EYES WEST
...BIG
APPLE



Keep your eyes on Bergen, the only New Jersey county in the New York SMSA. Its median household Effective Buying Income (EBI) is highest in the entire New York SMSA, and tops Nassau and Fairfield too!
Of course, The Record is the apple of Bergen's eye! It has more circulation in Bergen County — daily or Sunday — than all the New York City and Newark newspapers combined. And The Record's upscale readers have the highest median household income of readers of any major big apple newspaper — including The New York Times! For more information, phone (201) 646-4214.

New Jersey's Largest Evening Newspaper

The Record

National Representatives: Sawyer-Ferguson-Walker Co.

Sources: *S&MM 1979 Survey of Buying Power
ABC Audits, 1978
Simmons 1977 Study of the New York ADI

MARKETING PROFILES

They taste as good as they crunch.

PepsiCo's Frito-Lay snack foods unit is its second most important category. Doritos chips is its most heavily advertised product, receiving over $10,000,000 last year.

since September, 1976.

PepsiCo's second most important category is snack foods marketed by Frito-Lay, which PepsiCo acquired in 1975.

Frito-Lay had record sales of more than $1 billion in 1978 and it was also the most successful year in Frito-Lay's history in terms of both volume and income.

Distribution of the new Fantastix snack was expanded, with introduction of the product into Chicago and Indiana in November, 1978. The company cautioned, however, that the expansion did not represent the start of a national rollout. Fantastix, a crunchy, french fry shaped snack, was backed by $428,100 in measured media spending, all of it in network and spot tv.

Doritos tortilla chips was the company's most heavily advertised snack product with $10,642,300 in media spending. Lays potato chips, the market leader, had an ad budget of $465,100.

▪ In June 1978, PepsiCo widened its participation in the growing food service industry with the acquisition of Taco Bell, a major chain of Mexican food restaurants in the U.S. With the Pizza Hut merger in November 1977, PepsiCo now has a strong position in two of the fastest growing sectors of the food service industry.

The Pizza Hut system added 488 new restaurants in 1978, for a total of 3,710. Plans call for adding 400 more this year. Company-operated units rose by 297 to 1,958. Ad spending for Pizza Hut in 1978 rose to $13,517,600 from $9,060,000 in 1977. Despite the increase in advertising and the addition of new units, Pizza Hut's operating profit fell to $64,100,000 in 1978 from $73,600,000 in 1977.

PepsiCo attributed the earnings decline to "stiff competition and customer resistance to price increases." The company's Taco Bell restaurants were supported by $4,292,700 in ad spending. Taco Bell's current ad theme, "The Fresh Food Place," capitalizes on its use of fresh food products to prepare each menu item as ordered.

There is a possibility, though, that PepsiCo's acquisition of Taco Bell could backfire on the company's main product, Pepsi-Cola. According to reports circulating among fast-food people in California, the Coca-Cola sales force in the West is pointing out to Pizza Hut and Taco Bell competitors that if they serve Pepsi they're helping PepsiCo.

▪ The Wilson Sporting Goods Co. subsidiary suffered another decline in earnings in 1978 with a loss of $7,500,000. Profits in 1977 were $16,400,000, down from $26,500,000 in 1976. Again in 1978, the company attributed the earnings decline to "the continued imbalance of supply and demand in the industry."

Golf sales were particularly soft in 1978, although the company's golf clubs were supported by $1,195,600 in ad spending, the most for any Wilson product. The company contended, though, that "Wilson's strong name and position . . . indicate a potential for favorable results when the sporting goods business does improve."

On the transportation front, which includes NorthAmerican Van Lines and Lee Way Motor Freight, profits increased 14% to $29,300,000 in 1978 from $25,600,000 in 1977. NorthAmerican Van Lines was able to respond to an increase in housing starts, appliance sales and office and home relocations, the company said.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,738,800	$1,683,200
Magazines	1,725,500	1,510,600
Spot tv	46,588,300	40,305,100
Network tv	45,263,800	35,141,100
Spot radio	6,506,000	4,433,000
Outdoor	463,200	694,000
Total measured ..	102,285,600	83,767,000
Unmeasured	53,714,400	40,233,000
Estimated total...	156,000,000	124,000,000

PEPSI-COLA CO.

MARKETING PERSONNEL

John Sculley, president
Ted Glover, senior vp, operations
Alan M. Pottasch, senior vp
Robert Sander, senior vp, field operations
Chris Hallenbeck, vp, mktg
Norman Sylvester, vp, adv

PEPSICO INTERNATIONAL

MARKETING PERSONNEL

Peter K. Warren, chairman
Robert H. Beebe, president
Alan Pottasch, senior vp
Richard Ahern, president, UBI
Cole McCombs, vp, mktg, UBI
John Corbani, vp, mktg services

PEPSICO FOODS INTERNATIONAL

MARKETING PERSONNEL

John Kickham, president
George Blake, vp, mktg

PEPSI-COLA BOTTLING GROUP

MARKETING PERSONNEL

Darrell L. Agee, president
John Pingel, vp, sales & mktg
David Mauer, vp, mktg

PEPSICO TRANSPORTATION

MARKETING PERSONNEL

Kenneth L. Maxfield, president, North American Van Lines
Jeremy Bernstein, vp, sales, PepsiCo Building Systems

WILSON SPORTING GOODS

MARKETING PERSONNEL

Richard J. Caley, president
Malcolm Candlish, senior vp mktg
Gus Lachenaver, senior vp, sales

FRITO-LAY

MARKETING PERSONNEL

D. Wayne Calloway, president
William Korn, senior vp
James Sappington, vp, sales
Roger Enrico, vp, mktg
John Cranor, vp, business devel
Brad Todd, director, mktg services
Bill R. Jones, adv mgr

PIZZA HUT

MARKETING PERSONNEL

Frank Carney, presdient
Graham Butler, group vp
Don McCullough, senior vp, mktg
Al DiMarco, vp, adv
Benton Silloway, vp, mktg

TACO BELL

MARKETING PERSONNEL

Robert L. McKay, president
David Stone, vp, mktg
Joyce Hackbarth, director, adv

ADVERTISING AGENCIES

BBDO, New York—Pepsi-Cola, Diet Pepsi-Cola, Pepsi Light, Mountain Dew—Jack F. Kraushar, mgmt super.

Foote, Cone & Belding, New York—Fritos—Bruce Guidotti, mgmt super. Chicago—Pizza Hut—Bruce Mason, senior vp, group mgmt super; Mitch Engel, acct super.

Young & Rubicam, New York—Cheetos, Ruffles, Lay's, Munchos—Bill Green, mgmt super.

Tracy-Locke, Dallas—Doritos, Prontos, Fritos dip mixes, Tostitos—Howard David, mgmt super.

J. Walter Thompson Co., New York—Aspen, On Tap root beer, Teem—Bob Zimmern, mgmt super.

Grey Advertising, Los Angeles—Taco Bell—George Winston, acct super; Andy Arkin, Chris Shea, acct execs.

Pfizer Inc.

	1978	1977
Sales	$1,042,100,000	$945,700,000
Operating income ...	133,400,000	114,200,000
Advertising U.S. figures	38,424,300	37,500,000

Pfizer Inc., New York, the 80th largest national advertiser, inched its domestic advertising expenditures up 2% to an estimated $38,424,000 in 1978.

▪ Pfizer achieved record sales and earnings in 1978. Worldwide sales climbed 16% to $2,362,100,000 as earnings rose 18% to $206,300,000. In the first half of 1979, Pfizer registered worldwide sales of $1,381,300,000 and earnings of $147,700,000, both up 15% over the same period of 1978.

Pfizer segments its operations into five categories, the largest of which, health care products, contributed 50% of Pfizer's over-all sales last year while accounting for 73% of operating profits.

Most segments reported strong volume gains: Health care, up 18%; materials science, up 16%; agricultural, up 21%; speciality chemicals, up 14%, and consumer products, up 3%.

▪ The consumer division, which receives the bulk of Pfizer's measured media spending, markets Coty fragrances, and through its Leeming/Pacquin division, Ben-Gay analgesics, Visine eye drops, Desitin baby care products and House in Bloom plant care products.

U.S. sales were level with last year, while abroad the increase was 8%. Worldwide sales in 1978 were $233,900,000, 10% of total Pfizer volume. Operating profits fell 6% to $13,000,000. The decline is attributed to costs associated with a restructuring of a number of Coty International businesses from direct organizations to distributorships.

With the exception of House in Bloom products, the three other large volume Leeming/Pacquin products strengthened their market positions.

Media spending for House in Bloom products was $1,308,000, up from $1,000,000. Desitin medicated lotion received $1,628,000, also up from last year. Ben Analgesique Ointment received $4,312,000 of the nearly $5,000,000 spent on the four-product Ben-Gay line, and devoted its portion primarily to television. Similarly, Visine eye drops alloted its $5,000,000 to television, with heavy money to network.

▪ Leeming/Pacquin brought out two new products in 1978: Rheaban, an antidiarrheal, and Nytilax, a nighttime laxative. Both products are sold over-the-counter. Nytilax was boosted with $341,000 in ad spending, all in magazines, while Rheaban received $375,000.

McCaffrey & McCall, New York, handled these two introductions, as well as the rest of the Leeming/Pacquin line.

Sales in Coty's major product category—women's fragrances—increased in 1978, with Smitty and Wild Musk recording sales gains of over 20%. Coty products are sold primarily through major drug chains and the large mass-merchandisers.

According to Leading National Advertisers, Coty's measured media spending was around $9,000,000. Major Coty ad budgets: Emerade perfume, $2,056,700; Nuance perfume, $1,879,300; Masumi perfume, $924,600; Smitty perfume, $1,893,300, and Coty make-up, $364,200.

Coty's new prestige fragrance, Complice de Francoise Coty perfume, available only in department stores, is now sold nationally. In 1978, it was promoted with $133,000 in media spending. The agency for the Coty division is Martin Landey, Arlow Advertising, New York.

▪ Pfizer put an estimated $15,500,000 into unmeasured media last year, primarily for the health care division. This segment posted 1978 worldwide sales of $1,192,000,000, up 18% from 1977, and an operating profit of $276,500,000, up 16%.

Promotional efforts of Pfizer's health care products assume various forms, foremost among which is the detail sales force which acquaints doctors and pharmacists with Pfizer's product line.

Another increasingly important form of promotion is various educational programs intended to be a part of the continuing programs physicians are required to complete in order to renew their licenses. Monographs, symposia, and films are examples.

In recent years, Pfizer has sponsored monographs on Minipress, an antihypertensive, and Vibramycin, their highly successful, broad spectrum antibiotic.

Early last year, Pfizer underwrote the cost of a "Course on Clinical Depression," a broadcast that appeared on more than 80 commercial tv stations in 35 states. The course was promoted to general practitioners, and appeared from 6:30 to 8 A.M., depending upon the market.

Such educational programs may consume as much as 20% of promotional budgets for drugs, a substantial increase from the near past.

▪ Pfizer reports that sales of cardiovascular medicines increased 57% to $58,000,000. This increase was fueled by Minipress, their antihypertensive that lowers blood pressure without many of the uncomfortable side effects of earlier agents.

Minipress has been introduced in 34 countries, including nine in 1978, among which were West Germany and Austria. In many of these countries it is the fastest growing anithypertensive agent. Over the next two years, Minipress will be introduced to Belgium, Italy, France, Spain and Japan.

Sales of Vibramycin, Pfizer's major antibiotic product, increased by 25%, as the product continues to be the best selling oral antibiotic in international markets.

Pfizer will gradually be introducing into world markets the first product in a new family of anti-arthritis drugs, to be marketed under the trade name of Feldene.

Pfizer, along with other drug companies, faces a marketing challenge with the advent of the Maximum Allowable Cost and substitution programs that seek to make price the only competitive factor for drug products once they become available from several sources. Pfizer argues that this program allows new producers to borrow on knowledge procured through the developer's research, and serves to discourage the gathering of further information on the drug once it has come into circulation.

▪ Pfizer increased its research and development budget by 15% to $113,100,000 in 1978, and plans to spend upwards of $130,000,000 in 1979. The largest portion is directed to a search for new prescription drugs; money was also earmarked for research into the animal health area.

In July, 1978, Pfizer officially opened the chemical division's new Technical Service Center in Groton, Conn., to funnel discoveries in the research labs into the marketplace, and to develop new commercial applications for existing products.

Pfizer acquired Shiley Inc., Irvine, Cal., a manufacturer of artifical heart valves and other health care products, in March, 1979.

Pfizer's Roland M. Hendrickson, president of the agricultural division, was named "marketing man of the year" in May, 1978, by the National Agri-Marketing Association, for his doubling of sales, to more than $100,000,000, in less than five years.

Pfizer Laboratories' Vibramycin tied for first place in the first annual *Medical World News* 1978 Triangle Award competition for the best two-page four-color ad. Klemtner Advertising, New York, handles the account.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$85,700	$83,500
Magazines	7,546,300	6,923,700
Farm publications..	1,247,200	1,245,800
Spot tv	2,341,800	1,161,400
Network tv	11,641,600	13,086,600
Spot radio	60,400	298,000
Network radio	——	15,400
Outdoor	1,300	14,700
Total measured ..	22,924,300	22,831,100
Unmeasured	15,500,000	14,669,000
Estimated total ..	38,424,300	37,500,000

AGRICULTURAL DIVISION

MARKETING PERSONNEL

R.M. Hendrickson, president

Animal Health Operations

W.P. Crawford, vp-genl mgr
C.G. Risoldi, director, mktg
E.T. Hughes, director, sales
A. Honsch, mgr, mktg services

Genetics Operations

T.M. Reese, vp-genl mgr
J.R. Crabtree, director, operations
K.P. Everson, director, operations services
D.M. Perusse, mgr, field sales
D. Spect, mgr, mkt planning
R.M. Chambers, mgr, training & sales devel
J.W. Shafer, pr mgr
D.M. Plummer, adv promo mgr

ADVERTISING AGENCY

Brewer Advertising, Kansas City. Animal Health Operations: Fred Sandren, acct super. Genetics Operations: John Pepper, acct super; Bill Smith, acct exec.

H&N INC.

MARKETING PERSONNEL

B. Walkinshaw, vp-genl mgr
O.C. King, director, mktg
P.E. Smith, mgr, mkt planning

LEEMING/PACQUIN DIVISION

MARKETING PERSONNEL

B.B. Scott, president
J.F. Anderson, vp-mktg
T.F. Coughlin, vp-sales

ADVERSTISING AGENCIES

McCaffrey & McCall, New York—Ben Gay, Hai Karate, Desitin, Pacquin, Thermodent, Desitin Skin Care, Dabaways, Rheaban, Nytilax—Burtis Flounders, mgmt super; George Hadley, acct super; D. Green, acct super.

Ted Bates & Co., New York—Visine, Visalens, House in Bloom—Malcolm McConnell, mgmt super; Roy Lancaster, acct exec.

COTY DIVISION

MARKETING PERSONNEL

D.J. Flannery, president
J. Wendt, vp-mktg

ADVERTISING AGENCY

Martin Landey, Arlow Advertising, New York. Fragrances—Elias Getz, acct super. Cosmetics—Robert Berger, acct super.

CHEMICALS DIVISION

MARKETING PERSONNEL

C.W. Smith, president
J.E. McVeigh, vp-mktg & sales
A.F. Leyden Jr., director, sales
J.R. Post, sales mgr-West
W.D. Benfer, sales mgr-East
F.P. Chapman, director, mktg
V. DeGennaro, director, adv & promo
C.N. Mastin, director, mktg services

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, New York—F.P. Harvey, senior vp-mgmt super; Charles Rose, vp-acct super; D.E. Bray, acct exec.

PFIZER PHARMACEUTICALS & DIAGNOSTIC PRODUCTS

MARKETING PERSONNEL

S.G. Gilgore, president
J.T. Curti, vp-medical director
L.J. Schecter, dir, mktg rsch/planning

Roerig Division

W.C. Steere, vp & director-operations
L. Larkin, vp-sales
D. Booth, vp-mktg

ADVERTISING AGENCIES

Robert A. Becker Inc., New York—Geopen, Geocillin, Atarax—James Stroup, acct super.

Dorritie & Lyons, New York—Marax—Al Nickel, acct exec.

Sudler & Hennessey, New York—Antivert, Navane, Antiminth, Emete-Con, Sustaire—Martin McNamara, acct super.

Pfizer Diagnostics Division

J.V. Kehoe, vp & genl mgr
S.U. Fass, vp-mktg & sales

ADVERTISING AGENCY

Klemtner Advertising, New York—Gavin Scotti, acct exec.

Pfizer Laboratories

R. Neimeth, vp & director operations
R.J. DiDomenico, vp-sales
P. Tombros, vp-mktg

ADVERTISING AGENCIES

Klemtner Advertising, New York—Vibramycin, Terramycin, Oral Vistaril, other ethical drugs—Morgan Cline, acct super.

Sudler & Hennessey, New York—Diabinese, Vistaril, other ethical drugs—Neil Leiner, vp.

Carrafiello-Diehl, New York—Glucotrol, Sinequan—Tony Bennett, vp.

Dorritie & Lyons, New York—Minipress, Minizide, Renese—John Dorritie, president.

Pfipharmecs Division

J.P. Matheu, vp
R.W. Tucker, sales director
P.F. Knight, mktg mgr

ADVERTISING AGENCIES

Klemtner Advertising, New York—all prescription products, ointments, Rid—Paul de Jesse, acct super.

Purchase Point Inc., New York—Coryban-D, nutritionals, Bonine-D.

PFIZER MEDICAL SYSTEMS

R.G. Richmond, vp sales & mktg
G.W. Dension, mktg director
J.P. Rohal, sales director
B.A. Humpert, managing director, intl operations

ADVERTISING AGENCY

VanSant Dugdale & Co., Baltimore—Buck Cooke, acct exec.

MINERALS, PIGMENTS & METALS DIVISION

MARKETING PERSONNEL

J.P. Bartels, president
W. Nazarewicz, vp-sales & mktg
P.A. Guercio, vp-material science specialties
W.M. Stephson, mktg director
W.L. Hockersmith, sales director
H.F. Stolte, mktg services mgr

ADVERTISING AGENCY

Newmark, Posner & Mitchell, New York—Richard Walker, acct exec.

HOWMEDICA INC.

MARKETING PERSONNEL

T.W. Eckels, president
T.E. White, senior vp

ADVERTISING AGENCY

Techni-Graphics Inc.—Hugh Phares, president.

QUIGLEY CO.

MARKETING PERSONNEL

J.P. Bartels, chairman
D.R. Thacker, president
L.J. Dreyling, vp-technical
E.W. Garvin Jr., vp-sales
R.M. Galloway, mktg mgr-director of sales & mktg

ADFORCE INC.

MARKETING PERSONNEL

Robert Geller, president
John McAvity, vp-broadcast
Martin Gennusa, vp-media

Pillsbury Co.

	1978	1977
Sales†	**$2,165,983,000**	**$1,704,904,000**
Earnings†...	**83,471,000**	**71,334,000**
Advertising*	**104,000,000**	**85,800,000**

†Fiscal years ended May 31, 1978, and 1977
***Estimated by AA**

Pillsbury Co., Minneapolis, the 38th largest national advertiser, hiked its advertising spending in 1978 to an estimated $104,000,000, up 21% over the $85,800,000 of the previous year. Almost half of the total ad spending went toward the company's Burger King fast-food hamburger chain.

Sales and earnings also were up considerably from 1977 levels. Sales totaled $2.17 billion, up from the 1977 figure of $1.7 billion. Earnings increased from $71,334,000 in 1977 to $83,471,000 in 1978.

One of Pillsbury's most important moves of the year—and perhaps of the decade—was to acquire Green Giant Co. late in 1978. Pillsbury paid $148,000,000 in cash and stock to acquire the company, which markets canned and frozen vegetables, entrees and side dishes.

Thomas Wyman, the Green Giant Co. president credited with turning the company around in recent years, accepted a post with Pillsbury as vice-chairman. He will supervise all of Pillsbury's consumer products operations.

▪ Pillsbury has made other efforts to diversify, including acquisition of Speas Co. and American Beauty Macaroni Co. in mid-1978.

Speas, which markets apple juice, cider and vinegar primarily in Midwestern markets, is moving its line national since the Pillsbury acquisition. Before Pillsbury bought it, Speas held about a 15% market share in those areas in which it was distributed.

The performance of Pillsbury's grocery products was not as encouraging as the activities in other businesses. The grocery products, which include baking mixes, pancake mixes, flour and frostings, yielded lower profits than the previous year. Loss from Hungry Jack pancake mix helped pull down profits as the product dropped four points in market share to 21%.

Pillsbury Plus cake mixes, which feature a pudding-base, did well in 1978 despite competition from other manufacturers with similar pudding-base mixes.

No-Bakes, a convenience pie mix that requires no baking, maintained its No. 1 status in the relatively unexplored no-bake pie field with a 42% market share.

▪ Pillsbury BEST consumer flour remained in its No. 2 spot behind General Mill's Gold Medal flour. BEST had a 19% market share of the $330,000,000 consumer flour market. Pillsbury's line of refrigerated doughs and biscuits continued to hold its No. 1 position in that market.

Refrigerated cookie dough received the highest measured ad spending in the grocery products division with a 1978 total of $3,332,900. Ad spending for refrigerated pastries was $2,007,000 and refrigerated roll dough received $2,267,700.

The performance of Burger King Restaurants, the nation's No. 2 hamburger chain, paced the Pillsbury resturant group. Burger King's sales, along with sales from Steak and Ale Restaurants and Poppin Fresh Pies, accounted for 36% of the company's 1978 sales. A record 297 Burger King Restaurants opened in 1978.

Although Burger King's sales didn't meet expectations in some quarters during the past two years, the addition of the Magical Burger King has apparently helped revive sales. Pillsbury plans to open a record 385 new restaurants this year.

Ad spending for the Burger King chain increased 26% in 1978 and is expected to stabilize or rise slightly in 1979. Pillsbury has also launched a program for its 2,153 franchises. Operation Grand Slam is intended to "upgrade operations and increase sales per store."

It involves introducing improved products and upgrading the appearance and service of each restaurant. In another marketing advance, Burger King is currently rolling national with a steak sandwich.

In the frozen foods-operation, Pillsbury's Totino's and Fox Deluxe pizzas grew in sales and market share. The two have about a 21% market share in the $500,000,000 industry, although the company said distribution for the two brands covers only about two-thirds of the nation.

Year-End Issue Only $75.00

The 1978 Ad Dollar Summary

- The only complete listing of all brands active in six major media: consumer magazines, national newspaper supplements, network and spot television, network radio, outdoor.
- Expenditures for more than 24,000 brands—listed in alphabetical order with parent company identification and media used.

PLUS

- The top 1000 companies with Ad Dollars listed by media.
- The top 10 brands in each of 243 product categories with category total.

A complete summary of Ad Dollars from the PIB Service, BAR Broadcast Services, LNA Outdoor. The official industry figures prepared for MPA, TVB, RAB, OAAA used by every major advertiser and their advertising agencies.

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MARKETING PROFILES

Two Pillsbury products rolled national during 1978. Wheat Nuts, a wheat germ and soybean oil snack, went into national distribution in August in an effort to crack the $350,000,000 salted nut market.

Hungry Jack Pan Shakes, a complete refrigerated pancake mix packaged in small milk carton-like containers, also rolled national.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,799,900	$2,727,300
Magazines	4,574,900	3,920,200
Spot tv	24,913,400	15,501,800
Network tv	47,124,200	39,881,300
Spot radio	1,049,100	536,000
Network radio	—	—
Outdoor	498,800	300,500
Total measured ..	79,960,300	62,867,800
Unmeasured	24,039,700	22,932,200
Estimated total ..	104,000,000	85,800,000

CONSUMER PRODUCTS GROUP

MARKETING PERSONNEL

Thomas Wyman, vice-chairman
John M. Stafford, exec vp, Green Giant
Edgar P. Mertz, group vp (refrigerated foods, grocery products, American Beauty Macaroni Co., Speas Co.)
George Masko vp (frozen foods, Wilton Enterprises)
Raymond V. Kimrey, sales vp
Malcolm A. McNiven, vp, mktg services
William Edgley, director, media services
Donald A. Osell, vp, vegetable products, Green Giant
William M. McGrath, vp, prepared foods, Green Giant

GROCERY PRODUCTS

Allen A. McCusker, vp
William Walker, mgr, basic foods
Dan Locke, mgr, desserts
John Darcy, mgr, snack & diet products

SPEAS CO.

Michael D. Wood, vp

WILTON ENTERPRISES

Vincent Naccarato, president

REFRIGERATED FOODS & AMERICAN BEAUTY

Thomas R. McBurney, vp
Larry Youngblood, business unit mgr, American Beauty
Pete Mihajlor, director of mktg, refrigerated foods

FROZEN FOODS

Kent Larson, vp, sales & mktg

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Green Giant products, refrigerated foods, frostings, Lite cake/frosting mixes, Funny Face drink mixes, Bake-Off® contest—John Powers, mgmt director.

Batten, Barton, Durstine & Osborn, New York—Pillsbury Plus cake mixes, Hungry Jack potato products, Figurines diet meals, artificial sweeteners, instant breakfast—Jerry Lee, mgmt super.

James Jordan Inc., New York—Bundt and Streusel Swirl cake mixes.

W.B. Doner & Co., Southfield, Michigan—Appleasy dessert mixes, American Beauty Macaroni Products, Speas Co.—William Case, mgmt super.

Paragon Cos., Minneapolis—Totino's frozen pizza.

Botsford Ketchum, San Francisco—family flour.

RESTAURANT GROUP

Donald Smith, president, Burger King
E. Christian Schoenleb, group vp, Burger King
Louis Neeb, president, Steak and Ale
Don Ryan, president, Poppin Fresh Pie Shops
John Schubert, mktg director, Poppin Fresh Pie Shops

ADVERTISING AGENCIES

J. Walter Thompson Co., New York—Burger King, Chicago—Poppin Fresh Pie Shops—Ronald Sherman, acct super.

Leo Burnett Co., Chicago—Steak and Ale—John Powers, mgmt director.

AGRI-PRODUCTS GROUP

Richard Coonrod, exec vp

ADVERTISING AGENCY

Glenn, Kolesar & Hartwell, Minneapolis—bakery flour, mixes and equipment, food service.

Polaroid Corp.

	1978	1977
Sales	$1,376,590,000	$1,061,945,000
Earnings ...	118,416,000	92,284,000
Advertising	52,752,500	38,864,000

Polaroid Corp., Cambridge, Mass., the 71st largest advertiser, increased U.S. advertising to $52,752,500 in 1978, up 36% from $38,864,000 in 1977.

Consolidated worldwide income rose 30% to $1,376,590,000 in 1978 from $1,061,945,000 in 1977. Earnings increased 28% to $118,416,000. Sales of the OneStep instant cameras and record sales of SX-70 film were again responsible for the sales gain, the company said.

Sales in the U.S. increased 27% to $817,400,000 in 1978. The company reported a 24% increase in nonmanufacturing expenses due primarily to higher marketing expenses. About 98% of Polaroid's U.S. sales were in photo products, with the remainder in sunglasses.

More than 9,000,000 Polaroid Land cameras were sold in 1978, by far the largest yearly total in the company's history. Instant film sales exceeded 200,000,000 packs, also a record, according to the company. Polaroid is believed to have some 65% of the instant camera market with two of every three instant cameras sold in the U.S. in 1978 being Polaroid. According to the Wolfman Report, the U.S. photographic market is estimated at $10,672,000,000.

- Polaroid factories produced 3,000,000 more cameras than in 1977 and worldwide shipments of SX-70 instant camera film increased 75% in 1978.

Retail sales of instant cameras increased 22% over 1977, according to an independent retail auditing service. Instant cameras now account for 41% of all amateur still camera sales in U.S., compared with less than 25% in 1975.

Polaroid's 1978 measured media spending was $40,752,500, up from $28,835,500 in 1977. Polaroid cameras received $2,412,500. The One-Step camera got an additional $15,772,900. Measured media spending for cameras plus film totaled $2,645,600, while film alone received $239,300.

OneStep became the best-selling camera in Polaroid's history in 1977 and continued as No. 1 in 1978. The fixed focus camera, which uses SX-70 film, is positioned against Kodak's Handle.

- Polavision, an instant movie system including hand-held camera, compact table-top player which plays back color images in seconds and 2½-minute Phototape cassettes, was given the biggest launch of any product in Polaroid's history when it rolled national last year.

During April, 1978, some $5,000,000 was spent via tv spots featuring actor Tony Roberts as spokesman with print ad support. Altschiller, Reitzfeld & Jackson received a creative assignment for Polavision. Danny Kaye later became spokesperson for the line.

However, the system reportedly did not sell as well as expected, with 100,000 units built and only 50,000 sold. Problems cited were low consumer recognition, high cassette cost and technological gains in videotape and video disc equipment.

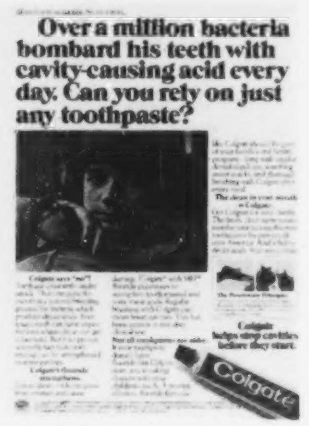
SX-70 Sonar OneStep and Pronto Sonar OneStep went on sale in the U.S. last August. Inaudible sound waves are emitted from the camera and bounce off the subject, the echo returning to camera to focus the lens in fraction of a second. Actress Liv Ullmann became the first tv spokesperson for it.

Actor James Garner, who was named AA's Star Presenter of the Year (AA, July 30), starred in tv spots for the Pronto! and now OneStep camera line with Mariette Hartley.

- Polaroid also began its first network tv support this year for SX-70 instant film packs, which produce clearly developed pictures within one minute instead of four. A new experimental stereophonic sound system for Polavision was unveiled in April.

Still pending is a suit Polaroid filed charging Kodak with infringing 10 of its U.S. patents for instant cameras and film. The suit seeks injunctive relief and treble damages plus costs and other relief.

Kodak has joined issue, seeking a declaratory judgment that some Polaroid patents are invalid and not infringed, and that each of the company's patents relating to instant photography is unenforceable.


Over a million bacteria bombard his teeth with cavity-causing acid every day. Can you rely on just any toothpaste?
Colgate helps stop cavities before they start.
Colgate

Colgate-Palmolive spent $15,000,000 in measured media to maintain its No. 2 slot in the dentifrice market.

A suit that Polaroid filed against Berkey Photo, charging patent infringement and the countersuit from Berkey charging that Polaroid attempted to monopolize self-developing photographic products was settled out of court. Berkey agreed to stop selling and manufacturing The Wizard which used SX-70 film and Polaroid dropped its suit.

Polaroid co-sponsored Perry Como's "Easter by the Sea" special in 1978 as well as the CBS movie "First You Cry" and "Kennedy Center Honors: A Celebration of Performing Arts."

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,572,000	$1,881,300
Magazines	6,319,300	7,705,700
Spot tv	3,721,300	527,600
Network tv	28,139,900	18,701,900
Spot radio	—	17,000
Outdoor	—	2,000
Total measured ..	40,752,500	28,835,500
Unmeasured	12,000,000	10,044,500
Estimated total ..	52,752,500	38,864,000

MARKETING PERSONNEL

James Andrews, director, consumer adv
Laurie Beeson, adv mgr (consumer)
Harry Falber, adv mgr (consumer)
Richard Giacchetti, asst to director, consumer adv
Lynne Hoinash, intl adv mgr-business & professional products
Lynn Keyser, asst intl adv mgr
Kathleen Malone, adv mgr-Latin America
Robert Neville, intl sales promo mgr
Michael Parker, director-intl adv
Adrian Van Dorpe, adv mgr (industrial)
Theodore N. Voss, vp-adv
Peter Wensburg, senior vp, mktg

ADVERTISING AGENCY

Doyle Dane Bernbach, New York—Gregory Argand, acct super; Warner Ballard, asst acct exec; Kathie Beatty, regional mgr-Latin/South America-acct exec; Maura Buckley, acct exec; Joseph R. Daly, chairman & ceo; Barbara Ehrlich, acct exec; John Fenyo, vp/mgmt super; Burt Fradin, business & professional mgr vp; Bob Gerdes, acct super; Barbara Leideker, acct exec; Pierre Lordonnois, regional mgr-Europe-vp; Iain Macfarlane, group senior vp-intl; James V. McConnell Jr., group senior vp; Brad Moses, acct super; Jacques Pauker, mgr-Europe-business & professional; Walter F. Regel, acct exec; Terry Schaefer, regional mgr-Asia/Pacific-vp; Marcle Speller, mgr-Europe-amateur; Joan Wolf, creative liaison mgr-acct super-intl.

Procter & Gamble Co.

	1978	1977
Sales+	$9,329,306,000	$8,099,687,000
Earnings+ .	577,331,000	511,668,000
Advertising*	554,000,000	460,000,000

+Fiscal year ended June 30, 1979, and 1978
*AA estimate for calendar year

Procter & Gamble Co., Cincinnati, the perennial No. 1 national advertiser, is estimated by AA to have increased its 1978 advertising and sales promotion investment by just over 20%, to a record $554,000,000—the first time a company has spent over half a billion dollars on national advertising.

The increase reflects P&G's heavy commitment to new products; six new items achieved national distribution during '78 or early '79, and nine were put in expanded or test markets. Several of these brands represent first time category entry for the company. The 15 items cited do not include formulation changes on established brands, which sometimes receive major introductory support.

In the fiscal year ended June 30, 1979, record net sales hit $9.33 billion. Earnings increased for the 26th consecutive year, to $577,331,000.

- As the nation's largest advertiser, the company also is the top spender in both network and spot tv. Last year, P&G increased tv expenditures to $421,020,200—over 90% of its measured media expenditures—according to Leading National Advertisers. Tv spending in 1977 was $350,000,000.

Other media statistics: P&G's magazine spending went up over $12,000,000; newspaper spending increased almost $3,000,000.

P&G is probably the largest user of sampling, couponing, price-off, on-pack and other promotions. Its unmeasured media total includes estimated expenditures for these activities, and rose to almost $90,000,000 last year, an 8% jump. Also included is business press spending; P&G is the No. 1 advertiser in food service industry publications, for example.

But it is on television that P&G—known as the king of soap operas—reigns supreme. The company, through its P&G Productions unit, owns, produces and sponsors five durable soapers, considered ideal vehicles for its household cleaning, food and personal care products. They are: "Search for Tomorrow," "As the World Turns," "Guiding Light," "Edge of Night" and "Another World."

- The company has been turning its programing attentions to prime time fare, as the trend toward more working women and working mothers continues. Obviously buoyed by the success of the "Jesus of Nazareth" tv special, which it fully sponsored, the company agreed to sponsor and co-produce (with the Italian partners responsible for "Jesus") "The Adventures of Marco Polo," to be a tv miniseries.

The company also began plans for production on "The Days of Peter and Paul," which reportedly will be released abroad to theaters following its U.S. tv airing.

During the past year, a number of tv movies and specials were solely sponsored by P&G, many of them produced or co-produced by the soap maker. More are in the works.

Early this year, P&G made a dramatic return to prime time series production, with the news that it would underwrite a weekly series starring Shirley Jones. In short order, the show—called "Shirley"—won a spot in NBC-TV's fall lineup. Reports are that P&G has another possible dramatic series in the proposal stage.

- Other company tv ventures attracted attention during the past year. P&G has been experimenting with odd-form commercials, such as 45/45 spots in a 90-second slot or 45/15 in a 60-second slot, on its own daytime shows for some time. But broadcasters became alarmed when the 45-second form surfaced in other spots.

In some cases, the company asked the local station to cut in on a 60-second network slot with a P&G 45, filling out the time by inserting a 15-second public service announcement.

NBC-TV put out the word to its affiliates putting a stop to that practice, and shortly afterward P&G said its test of 45/15 had ended. But the company appears to have convinced stations that 45/45 units were not a "stalking horse" for 15-second spots, and many stations across the country are now accepting that 90-second buy.

- P&G is the innovator in segmenting a market and building new brands within it. While some company brands compete with one another, P&G mostly strives to push each into leadership in its own particular segment.

The company has 52 established consumer products (excluding expanding brands) receiving major advertising support, plus hundreds of institutional products, most of which also get heavy ad and promotion backing within their specialized fields.

Last year, according to the figures compiled by Leading National Advertisers, P&G spent about $74,630,200 for 10 laundry detergents plus Biz detergent booster. For its four dishwashing detergents, it spent $42,361,200, and $37,582,400 was put into media advertising for six bar soaps.

Other broad categories and total measured spending: Household cleaning products, $26,448,500; paper products, $54,319,100; food products (including coffee), $93,958,600, and personal care products, $95,522,100.

- The food products area stands out, because that nearly $94,000,000 is up from about $59,000,000 last year. The primary reason: Folger's coffee (all forms) received $31,351,800 in media support in '78, up from $12,800,000 the year before. (The figures exclude High Point, P&G's decaffeinated coffee line in test markets.)

Excluding the Folger's brand, Crest toothpaste still holds the top spot in P&G's brand stable, with ad support last year of $23,055,700. Crest's spending was down to $19,300,000 the year before, after having been around $23,000,000 in 1976.

Next highest was Pampers disposable diapers, with $18,636,000, followed by Downy fabric softener at $17,519,100. Tide received $16,475,400 and Cheer, $14,974,000.

Other brands with over $10,000,000 in advertising were: Bounce fabric softener, $13,324,300; Bounty towels, $11,293,100; Cascade, $10,349,300; Era detergent, $10,475,900; Ivory Liquid, $13,575,300; Pringle's potato chips, $12,982,700; Scope mouthwash, $11,332,300; Folger's regular, $11,820,400, and Folger's Flaked, $13,098,800.

Combining the spending on the various forms of Sure antiperspirant, Secret antiperspirant and Duncan Hines cake mixes gives each more than $10,000,000 as well.

Duncan Hines cake mixes received $15,772,000, a figure that includes the new Pudding Recipe line. Both Sure and Secret (sprays, roll-ons and sticks) were supported with just over $12,000,000 each.

- In addition to its consumer products, P&G markets an extensive line of items for commercial and industrial use, which primarily are related to its consumer lines through technology and research. These include fat and oil derivatives, edible oils, chemical specialties and cellulose pulps, as well as industrial soaps, detergents and waxes.

P&G also has begun marketing both pharmaceuticals and paper products to the health care field. Its prescription drug products are Osteoscan, an injected drug used to facilitate radiological diagnosis of bone disease; Didronel, a tablet for symptoms of Paget's disease of the bone, and Topicycline, a topical antibiotic for the treatment of acne. Other products are expected from the technology associated with these drugs.

Its paper products are in the fast-growing medical disposables market. Boundary, a line of surgical drapes and gowns, is now available in much of the country, excluding the Northeast. This nonwoven fabric is expected to find its way into other new products also. Attends is a disposable brief for incontinent patients, now in test market. Attends also is being tested for direct marketing to the consumer.

A number of other developments are in the works in the health care area. The company has been exploring various forms of contraceptives, and is far along on a cholesterol control drug called sucrose polyester. It is said to effectively eliminate the portion of cholesterol that purportedly contributes to heart disease, as well as having dietary uses relative to weight control. New drug approvals, however, have not been issued in these areas as yet.

▪ Of P&G's established paper products, only Charmin and Pampers are available nationally, although Bounty paper towels has slowly but surely made its way into 97% of the country. White Cloud toilet tissue also has expanded, to about 86% of the nation; Puffs facial tissues is in about 50%.

Charmin holds an estimated 22% share of the $1.2 billion bath tissue business; White Cloud has over an 8% share. Scott Paper Co., with several brands, has 20%; American Can's Northern tissue has about 7%.

About 4% of Scott's total share belongs to Cottonelle, a new brand being slowly expanded into broad distribution. Cottonelle is said to have done well in its established (initial) Midwest markets, with over a 13% share. But P&G has another entry in the wings (test markets)—Certain, which is coated with a cleansing lotion.

In the disposable diaper business, the company appears to be strengthening its leadership role. Pampers, which created the market, has dropped from its peak share, but holds a strong 63%. Johnson's has begun to slip since achieving national distribution about a year ago.

As Johnson's and Pampers have declined with the entrance of new brands (Kimberly-Clark's Kleenex Super Dry and Huggies), P&G has started market expansion of its Luvs panty-style diapers.

▪ Luvs, a premium-priced product, had tested in Columbus, O., and St. Louis for over two years, and this year was introduced in the major New York/Philadelphia metro region. This summer it was expanded into Boston. Luvs is battling Huggies (also elastic legs) in those areas.

Its growing share—now 3%—is helping maintain P&G's traditional share of the market. Pampers and Luvs combined are approaching a 70% share. Reports are that, in Luvs' established markets, the combined share is about 75% to 80%.

Procter also started major market expansion of Rely tampons in 1978. The company's first entry in the feminine hygiene market, Rely is now sold in the entire western portion of the U.S., and is expected to be national by early next year.

In 1978, measured media spending was about $3,000,000, but the figure represents marketing in only a handful of cities. Major territory expansion did not come until 1979. In addition to media (including a significant radio campaign), P&G is spending big for sampling and couponing on Rely.

▪ Although Rely's share of the $300,000,000 tampon market is not sigificant as yet on a national basis, sources say it is "averaging" around 20% in its established markets.

Nationally, Tampax leads with about 45%, Playtex is second with between 35% and 40%, Kotex holds about 10% and Johnson & Johnson's o.b. has just under 10%. J&J also is testing a new tampon called Assure, and P&G has filed a trademark infringement suit over the name.

The company has been active in shoring up its laundry detergent business. P&G, with a 50%-plus share of the $1.6 billion market, has pumped new life into several of its top brands.

The No. 1 heavy-duty detergent, Tide, was relaunched late last year as Extra-Action Tide. The product was reformulated with P&G's recently discovered builder, aluminosilicate. Market tests have been going on in Texas for several years; but in the tests, no mention was made of the formula change (except for ingredient listing).

The new builder works especially well on particulate soils, the most common washday soil—thus the ad theme, "Get the best detergent on American soil." The new formula also works best in conjunction with phosphates, however, so the new Tide is not available in areas where phosphates are banned.

▪ Behind Tide's 25% share is P&G's Cheer, with about 9% of the market. The product is in a close race with Lever Bros.' Wisk, so it too was given a boost via formula change. The company last year introduced a new "wrinkle-reducing" attribute for Cheer, and put about $15,000,000 in ad spending behind the brand.

In the $350,000,000 liquid segment, Wisk's 9% share leads and P&G follows with Era, at about 4.5%. It will face new competition as Colgate and MortonNorwich's Texize each expand into new markets with combination liquid detergent/fabric softener brands. P&G's Bold powder is being expanded as a combination detergent/fabric softener under the name Bold 3. It is not yet national, but is in significantly greater distribution (70% of U.S.) than either Texize's Yes or Colgate's Carefree.

In regular fabric softeners, P&G continues to lead with an estimated 54% share. That is a combination of No. 1 Downy, at 33%, and No. 2 Bounce, at about 21%. The company leads in automatic dishwashing detergents, with about 47% for its Cascade; in liquid dishwashing detergents, it leads with Dawn, Joy and Ivory Liquid. Dawn leads with 16%.

▪ In bar soaps, P&G this year is celebrating the 100th anniversary of Ivory, which has led the market for 99 of its 100 years, the company says. For the remainder of 1979, Ivory advertising will feature that history and "thank" consumers for keeping the brand floating on top. A consumer promotion is being conducted as well.

A more recent success story in that $600,000,000 market is Coast deodorant soap, which has grabbed the No. 4 spot behind Ivory, Armour's Dial and P&G's Zest.

P&G is believed to be holding onto its No. 1 position in the antiperspirant/deodorant market. Sure holds about 13%, sources report, with Secret at about 11%. Each has both spray and roll-on forms, with new stick versions now in test markets. The recent growth of Secret represents a significant turnaround, since it was losing share about three years ago.

▪ The company has not been as successful of late in the $300,000,000-plus mouthwash market, or the $600,000,000 shampoo market.

In mouthwashes, P&G's Scope declined slightly to a 23% share, largely due to introduction of Warner-Lambert's Listermint and Lever's Signal. The newest entry, Signal, has been the biggest winner, and is said to have attained the No. 3 slot, with about 11%.

You have to make it to spend it. And according to the 1978 Scarborough Report, the daily Plain Dealer reaches 267,700 adults with household incomes of $25,000 or more in the seven-county Cleveland Standard Consolidated Statistical Area (SCSA). The Sunday Plain Dealer reaches 322,400 adults with $25,000-plus household income. The 1978 Scarborough Report also notes that 446,100 adults in the SCSA read the daily Plain Dealer exclusively. They are not reached by the afternoon newspaper.

Of those adults who read both Cleveland dailies, 80% rely most on The Plain Dealer for advertising information. So it follows that The Plain Dealer is where your advertising dollars work best.

If you have something to sell, sell it where more spenders will see and believe your message—in the big money market reached by The Plain Dealer.

PLAIN DEALER
The good morning newspaper

The Plain Dealer is represented nationally by Newhouse Newspapers with offices in principal cities

The Plain Dealer reaches people who reach for the good life in everything they do.

In shampoos, both Head & Shoulders (the market leader) and Prell have suffered slight share slippage in the growing category. Several new entries have taken some of the business—S. C. Johnson's Agree and Gillette's Ultra Max—but a few established brands have shown good growth (Revlon's Flex and Helene Curtis' Suave).

To correct the situation, P&G went into two markets this year with new Pert shampoo, said to have a conditioning action. In its Wisconsin and Kentucky areas, Pert is aimed at the frequent shampooer, touting "gentle cleaning," pleasant fragrance and "light conditioning." Also, Head & Shoulders has been successfully positioned as a "gentle" shampoo, and a new version—with "new conditioning formula"—is in St. Louis test.

▪ In toothpaste, Crest continues to pace the field with about a 35% share; only Colgate comes close with 20%. P&G's other brand, Gleem, is being used as a defensive brand, and early this year got a new campaign stressing its breath freshening characteristic.

The effort apparently is designed to blunt the impact of Beecham's rollout of Aqua-fresh, which uses a similar breath freshening/cavity fighting pitch. Another reason for the campaign change is Colgate's new "clean mouth" effort.

Early this year, Procter achieved national distribution on Wondra, its new entry in the $200,000,000 hand and body lotion category. The product, called a "skin conditioning lotion," is doing battle with Chesebrough-Pond's Vaseline Intensive Care lotion.

A new version of VIC, carrying the benefits promised by Wondra, was rolled out in the late summer of 1978, and P&G apparently waited for that introductory program to subside before launching Wondra national. Wondra's national push started about March.

▪ Another major launch during 1978 was the rollout of Puritan cooking oil. Puritan, a low cholesterol entry made mostly from sunflower oil, achieved a share of from 15% to 20% in test marketing. The company's Crisco oil is currently No. 2 in the $725,000,000 business, behind Hunt-Wesson's Wesson oil. Wesson is now in the process of introducing its own sunflower-based oil, called Sunlite.

Among its other food products, P&G successfully launched a Duncan Hines Pudding Recipe line that significantly bolstered its leading position in the $300,000,000-plus category. Regular Duncan Hines cake mixes had lost some share previously because of Pillsbury's successful Pillsbury Plus line.

But, while General Mills revamped its entire line as a counter to that threat, P&G stuck with its regular line and launched Pudding Recipe as a flanker.

The strategy worked, sources report; Duncan Hines increased its share to about 38%, as General Mills' Betty Crocker SuperMoist dropped to about 30% (from 35%) and Pillsbury held at 20%.

▪ P&G also is testing two new dessert items. Duncan Hines cookie mixes are in several markets, and an entirely new product concept is in Dallas and Denver tests. Called Coldsnap, it is described as a freezer dessert maker, and a package is said to make "endless ice-creamy-tasting" frozen desserts.

Pringle's potato chips were reformulated as an "all-natural" product in mid-1978, and a third flavor was added to the repackaged line. The restaged Pringle's was then assigned to Wells, Rich, Greene, from Tatham-Laird & Kudner.

The big story in the foods area for P&G, however, has been the national expansion of Folger's coffee. Early in 1978, P&G moved Folger's vacuum-packed coffee (long time leader in much of the U.S.) into the Northeast, the stronghold of General Foods' Maxwell House.

It expanded the newer Folger's Flaked entry at the same time, and almost automatically took the No. 1 spot in the $4 billion-plus national market (Folger's had trailed Maxwell House by only about three share points before the expansion).

Folger's over-all share is said to have reached 27% by the end of 1978, a record high. Maxwell House was put at about 23%. Both companies, however, have promised to spend heavily in the coffee battle. As noted, P&G's media expenditures for Folger's hit $31,351,800 in 1978, up from $12,800,000 the year before.

The company recently extended its Folger's instant into the Northeast corridor, and continues to test High Point decaffeinated coffee (not included in the above ad figures). High Point is expected to roll out later this year or in 1980.

In November, 1978, P&G named Charles C. Carroll, vp-advertising, as vp-toilet goods division. Robert V. Goldstein, project manager, experimental products, was named general ad manager, assuming Mr. Carroll's previous responsibilities.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$8,559,400	$5,830,400
Magazines	33,754,300	21,442,300
Spot tv	159,304,900	114,625,700
Network tv	261,715,300	235,251,300
Spot radio	919,800	408,000
Outdoor	39,100	—
Total measured ..	464,292,800	377,557,700
Unmeasured	89,707,200	82,442,300
Estimated total ...	554,000,000	460,000,000

MARKETING PERSONNEL

Sales

W. E. Forbis, vp, sales
W. P. Nock, sales mgr, coffee div
F. W. Caswell, sales mgr, toilet goods div
E. C. Conway, sales mgr, bar soap & household cleaning products div
G. G. Feil, sales mgr, packaged soap & detergent div
L. A. Pritchett, sales mgr, paper products div
R. S. Gurin, sales mgr, food products div

Advertising

R. V. Goldstein, genl adv mgr
P. A. Field, adv mgr, coffee div
R. G. Bryan, adv mgr, food products div
M. Jozoff, adv mgr, packaged soap & detergent div
W. B. Connell, adv mgr, bar soap & household cleaning products div
R. T. Blanchard, adv mgr, toilet goods div
C. A. Lieffe, adv mgr, paper products div
J. D. Henry, mgr, mkt rsch dept
S. H. Pruett, div mgr, genl adv dept
J. A. Wishard, div mgr, genl adv dept

ADVERTISING AGENCIES

Benton & Bowles, New York—Bounce, Charmin, Crest, Dawn, Ivory Snow, Pampers, Rely, Scope, Wondra, Zest, Attends.

Leo Burnet Co., Chicago—Cheer, Era, Camay, Lava, Lilt, Secret, Gleem.

Compton Advertising, New York—Tide, Cascade, Crisco, Top Job, Comet, Ivory bar and liquid, High Point coffee, Duncan Hines cake mixes, Pert shampoo.

Cunningham & Walsh, New York—Folger's instant, flaked and vacuum-pack coffee, Certain cleansing bathroom tissue.

Dancer Fitzgerald Sample, New York—Bounty, White Cloud, Oxydol, Dreft, Luvs.

Doyle Dane Bernbach, New York—Coast deodorant soap, Gain detergent, Puritan oil.

Grey Advertising, New York—Downy fabric softener, Joy dishwashing liquid, Bold/Bold 3 detergents, Jif peanut butter, Puffs facial tissues, Duz detergent, Duncan Hines Moist & Easy cake mix, Duncan Hines cookie mix.

Tatham-Laird & Kudner, Chicago—Biz, Head & Shoulders, Mr. Clean.

Wells, Rich, Greene, New York—Pringle's, Safeguard, Sure, Liquid Prell, Prell Concentrate, Coldsnap.

Young & Rubicam, New York—Dash, Spic & Span, Procter & Gamble Productions.

Quaker Oats Co.

	1978	1977
Sales†	$1,685,600,000	$1,551,348,000
Earnings†...	73,600,000	67,574,000
Advertising*	69,312,000	60,800,000

† Fiscal year ended June 30, 1978
* AA estimate for calendar year 1978

Quaker Oats Co., the nation's 57th largest advertiser, is estimated to have increased its advertising about 14% to $69,312,000 in 1978.

Save 40¢ with Crest's Multiple Choice.
A 9-oz or 7-oz Crest
B 5-oz Crest
C 3-oz Crest
D 1.5-oz Crest
HOW THE OFFER WORKS: Simply make one choice from A, B, C, or D. Then take this 40¢ coupon to your store and buy the required number of tubes. With any choice you get Crest's unbeatable cavity-fighting protection. And you save 40¢.
STORE COUPON
SAVE 40¢
ON TWO (2) 9 OZ. OR TWO (2) 7 OZ. OR THREE (3) 5 OZ. OR FOUR (4) 3 OZ. OR FIVE (5) 1.5 OZ.
40¢
MINT OR REGULAR
Crest
PROCTER & GAMBLE

Procter & Gamble's Crest received $23,055,700 in ad spending last year, just above its 1976 level.

The company's sales increased to $1.7 billion during its fiscal 1978, up 9% from the previous year. Net income increased 9% to $73,600,000. For the first nine months of Quaker's fiscal '79, sales were $1.5 billion, compared with $1.3 billion last year. Net income was $60,500,000, compared with $52,800,000 last year. (Net sales and income for the fiscal year 1979, ending June 30, will be released in late August.)

Quaker's diversified product line includes Quaker hot and ready-to-eat cereals, baking mixes and corn products; Aunt Jemima corn products, mixes, syrup and frozen foods; Celeste frozen pizza; Wolf Brand chili products; Burry cookies and crackers; Ken-L Ration dog foods; Puss 'n Boots cat foods; Fisher-Price toys; Needlecraft yarns and art needlework supplies, and a line of specialty furan chemicals.

Additionally, the company owns and operates Magic Pan Creperies and other specialty restaurants, and markets a wide range of human and pet foods internationally.

▪ For the fiscal year '78, approximately 44% of total sales were in U.S. grocery products, 24% in international grocery products, 16% in toys and crafts, 9% in institutional foods and restaurants, and 7% in chemicals.

During the last 12 months, several of Quaker's major brands continued market leadership in their respective categories. Quaker regular and instant oatmeals lead the hot cereal business with over a 50% share.

Most of the ad support goes for instant oatmeals, which received $3,200,000 in media spending last year. But regular Quaker Oats got a new ad campaign this past winter, an effort to reposition the line as more than a hot cereal. About $630,000 was spent in print ads, which positioned the product as a natural wholegrain ingredient and offered a free cookbook.

▪ In other breakfast products, Quaker pancake mixes lead that category with close to a 50% share, down somewhat from the year before because of the introduction of General Foods' Log Cabin pancake mix. Quaker instant grits continue to lead in its area, a market largely confined to the southern U.S.

In frozen breakfast products, Aunt Jemima frozen french toast and frozen pancake batter are No. 1 in small categories; Aunt Jemima frozen waffles is No. 2 in that category, behind Kellogg's Eggo brand.

Most heavily advertised of the above was the frozen pancake batter, with just over $600,000 in media exposure.

In the $2 billion ready-to-eat cereal market, Quaker continued as the No. 4 marketer, with just under a 9% share. Its top-selling line—presweetened Cap'n Crunch—lost some ground last year, but Life cereal continued its upward movement. A flavor extension, Cinnamon Life, was rolled national late in 1978. Both Life and Cap'n Crunch received about $5,400,000 in media advertising during the year.

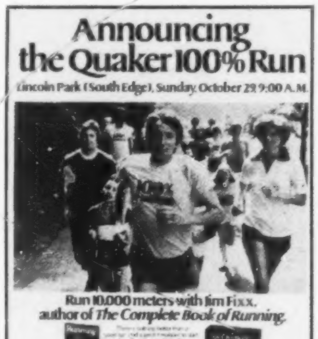
▪ Puffed Wheat and Puffed Rice were virtually unadvertised, but Quaker is now introducing nationally a new entry called Corn Bran. Described as having "the benefit of bran . . . the great taste of corn," the product is expected to get significant media spending.

In its initial West Coast markets, over $500,000 in spot tv was used in the first three months of 1979. Quaker 100% Natural also got increased advertising last year—over $1,300,000 was put behind a campaign featuring Jim Fixx, author and runner. The brand was not advertised in 1977.

Another area getting increased attention at Quaker is the $600,000,000 frozen pizza business. The company's Celeste brand holds about a 12% share of market, approximately fourth behind leader Totino's (Pillsbury), then Jeno's and Tony's.

Quaker boosted spending for the line, with over $3,000,000 in '78, up from $1,800,000 the year before. The thick-crust Sicilian style pizzas were rolled national following regional tests, and recently a Chicago style pizza-in-the-pan line moved into test markets.

▪ Quaker's four-item line of cookie mixes are said to hold the No. 2 spot in that $70,000,000 market, behind General Mills' Big Batch. Ad spending dropped sharply last year, to $485,700 from over $2,000,000 in '77.


Announcing the Quaker 100% Run
Lincoln Park (South Edge), Sunday, October 29, 9:00 A.M.
Run 10,000 meters with Jim Fixx, author of The Complete Book of Running.
ENTRY FORM

One Quaker Oats Co. promotion capitalized on the jogging craze and featured Dr. James Fixx, who wrote a popular book on the sport.

Marketing priority at the company continues to be pet foods, where Ken-L Ration Tender Chunks has been a significant success in the $1 billion dry dog food segment. Last fall, the company launched a beef and liver flavor flanker and a new advertising campaign featuring actor James Whitmore. Media spending was about $10,000,000 in 1978, but an equal amount reportedly was spent on promotion. Tender Chunks reportedly now holds over 10% of the dry dog food market.

In the $300,000,000 semi-moist category, Ken-L Ration burgers have declined in sales, but held a slight lead in market share over General Foods' Top Choice, which has been growing rapidly. GF's Gainesburgers have dropped to No. 3. The burger line was supported by about $1,500,000 in advertising last year, with Ken-L Ration Special Cuts receiving close to $1,000,000.

▪ Quaker's second largest advertiser behind Ken-L Ration is Fisher-Price toys. The division's sales for fiscal '78 were $230,300,000, up 18% from the year before, and ad spending increased to almost $8,000,000, up from about $6,500,000 in '77.

Fisher-Price introduced more than 40 new toys at the Toy Fair in New York early this year. Prominent among them were the Muppets' Miss Piggy doll, the Fisher-Price phonograph, Woodsey's Log House and the Hook and Ladder fire truck. The division's Talk-To-Me Player and Books was the hit of the previous selling season, and calendar year 1978 production was sold out by June of '78.

On the international front, Quaker acquired a majority interest in Chiari and Forti, an Italian food company, in March, 1979. Quaker now owns an 83% interest in the company, which markets edible oils, cake mixes and oven products.

Several key personnel changes were made, with Elizabeth D. Harrington joining the company as vp-advertising (and president of in-house agency, AdCom). She had been a vp of J. Walter Thompson Co., and succeeds Mitchell A. Seltzer, who left Quaker to pursue a career in tv programing.

Mead Montgomery joined Quaker as exec vp-restaurants and specialty retailing, and James J. Durkin was named president of the restaurants division, succeeding Frederick Montgomery.

Quaker's major restaurant chain is Magic Pan Creperies, but the unit has two newer operations—Proud Popover, a specialty restaurant with a Colonial American menu, and Engine House Pizza Co., a family restaurant with a firehouse decor.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,919,800	$3,458,000
Magazines	9,981,500	8,870,400
Spot tv	13,855,300	16,977,300
Network tv	20,080,300	18,057,800
Spot radio	302,700	853,000
Outdoor	40,200	4,000
Total measured ..	47,180,300	48,220,500
Unmeasured	22,131,700	12,579,500
Estimated	69,312,000	60,800,000

MARKETING PERSONNEL

U.S. Grocery Products Group

William D. Smithburg, exec vp
Henry T. Chandler, vp—sales and distribution
Elizabeth D. Harrington, vp—adv; president—AdCom
Max M. Lomont, vp—package design
Lois I. Ross, vp—consumer services
Dudley M. Ruch, vp—mktg rsch

Foods Division

Jack M. Young, president
Douglas W. Mills, vp—product mgmt
Susan E. Beck, Philip A. Marineau, Nancy S. Pitz, J. Scott Talgo, product group mgrs

Frozen Foods Division

David M. Chamberlain, president
Terry L. Fraser, director—new areas
Cynthia M. Vacin, product group mgr

Pet Foods Division

Richard H. Glantz, president
Hedric E. (Pete) Rhodes, vp—product mgmt
James B. Kauffman, director—product mgmt

Christopher A.M. Penrose, Richard H. Sterling, product group mgrs

Wolf Brand Chili Products

U.B. Shockley, president
R.D. Stoothoff, mktg director

Burry Division

Alan R. Ryan, president
D.J. (Bud) Rhea, vp—sales and mktg
Walter S. Angielski, director—mktg, grocery & dairy products
J.R.M. Borie, director—mktg, Girl Scout products
Paul C. Glick, director—mktg, food service division

International Grocery Products Group

Frank J. Morgan, exec vp
Richard K. Clark, vp—mktg

Toys, Crafts & Chemicals Group

Paul E. Price, exec vp

Fisher-Price Toys Division

Henry H. Coords, president
Franklyn S. Barry Jr., exec vp
James R. Tindall, vp—sales and mktg
James W. Cudney, director—adv
David B. Fisher, director—mktg
Terry J. Thompson, director—public relations

Needlecraft Division

James M. Stuart, president
John A. Ball, director—mktg
Henri R. Goudsmit, director—product devel
Samuel B. Slade, vp-genl mgr, Herrschners

Chemicals Division

R. Bruce Sampsell, president
William J. McKillip, vp—rsch & mktg

Restaurants and Specialty Retailing Group

Mead Montgomery, exec vp

Restaurants Division

James J. Durkin, president
Donna L. Smith, vp—mktg
Peter L. Stewart, mktg mgr
Patricia M. Foley, public relations mgr
Tom McKeon, genl mgr, Engine House Pizza

ADVERTISING AGENCIES

AdCom, Chicago—Cap'n Crunch, King Vitaman, regular and instant oatmeal, Quisp, unprocessed bran, cookie mixes, Celeste pizza—Joan G. Stark, vp—media director

Allen & Dorwood, San Francisco—Magic Pan and Proud Popover—John Galbraith, vp

Batten, Barton, Durstine & Osborn, New York—Corn Bran, Life cereal, puffed cereals, shredded wheat, Puss 'n Boots cat foods—Charles Decker, vp—mgmt super

BBDM Advertising, Chicago—industrial cereals—Lee Wolf, acct super

Campbell-Mithun, Chicago—food service products—James Degen, mgmt super

Chalek & Dreyer, New York—Burry grocery and dairy products—Harvey Dreyer, president; James F. Comerford, exec vp

Gerber Advertising Agency, Portland, Ore—Engine House Pizza—John Nichols, acct super

Glenn, Bozell & Jacobs, Dallas—100% Natural cereal; Quaker and Aunt Jemima corn products, barley, flour; Flako baking mixes—Larry Stern, vp-mgmt super

Ladd Wells Presba Advertising, Chicago—chemicals—Richard M. Bueschel, senior vp

Sumner & Berry Advertising, Dallas—Wolf Brand products—Robert E. Berry, partner

J. Walter Thompson Co., Chicago and New York—Aunt Jemima breakfast products and mixes; Ken-L Ration dog foods—Lloyd Stein, vp—mgmt super

Waring & LaRosa, New York—Fisher-Price toys—Saul Waring, exec vp

RCA Corp.

	1978	1977
Sales	$6,644,500,000	$5,923,400,000
Earnings	278,400,000	247,000,000
Advertising ...	140,000,000	124,000,000

RCA Corp., New York, ranked 21st among the nation's advertisers in 1978, a year which saw RCA deliver its best annual performance since its founding 60 years ago.

RCA's domestic advertising expenditures rose 13% to an estimated $140,000,000 in a year that saw the company's global sales climb 12% to more than $6.6 billion, and earnings rise 13% to $278,400,000.

First half RCA earnings climbed $14,500,000 or 11% to $147,700,000, as sales rose 19% to $3.69 billion, fueled by gains in five of its seven business segments. The two units adversely affecting RCA's results were National Broadcasting Co. and RCA Records.

■ A "substantial" RCA loss and "accelerating expenditures" related to preparing for the videodisc's introduction ate into earnings gains made by strong color tv set sales, RCA indicated. As for NBC, "strong advertiser demand for time" could not offset "heavy" program costs, chiefly in prime time tv.

Six of RCA's seven functional business segments advanced in both sales and profits; the broadcasting segment (NBC) showed a profit decline of 20%, the result of "competitive problems" and the cost of attempting to overcome them.

The chief measure aimed at increasing the network's audience share was the hiring of former CBS and ABC "program whiz" Fred Silverman, who took office as president-ceo in June, 1978. Sales in the broadcast segment, however, gained by 11%.

■ Both domestic and overseas operations showed strong sales and profits. U.S. revenues were up 13% to $5.8 billion, yielding a slight increase in before-tax profits to $402,700,000. RCA's foreign sales increased 2% to $1.23 billion as profits rose to $110,600,000, a 57% increase.

RCA is structured into seven broad operational segments: Consumer electronic products and services, commercial electronic products and services, broadcasting, vehicle rental and related services, communications, government business and other products and services.

Incorporated under these various segments are RCA's operating divisions and subsidiaries, principally Banquet Foods Corp., Coronet Industries, National Broadcasting Co., Hertz Corp., Random House, RCA Direct Marketing, RCA Distributing Corp., RCA American Communications, RCA Global Communications, RCA Sales Corp., RCA Service Co., RCA Records, RCA solid state division and RCA picture tube division.

Foreign subsidiaries include RCA Ltd. in both Canada and the United Kingdom, and Oriel Foods, a British food company.

■ The RCA consumer electronic products and services segment manufactures, markets and services RCA television products, phonograph records and tapes and other entertainment for home and auto use.

Revenues for this unit jumped 15% as earnings rose 4%. A new ChannelLock color tuning system was introduced, eliminating the need for fine tuning. A profit decline in tv products, attributed to inflationary costs, was partly offset by the success of the SelectaVision home videocassette recorder, which established its U.S. market leadership with more than a 25% share.

The SelectaVision brand name also will appear on RCA's long delayed home videodisc players, now expected on the market some time during 1980. Herb Schlosser, the former National Broadcasting Co. president who is an RCA exec vp, is supervising the disc programing efforts; about 200 titles are planned initially, mostly movies.

RCA tv products moved from a modular chassis design to a single board concept, aimed at cutting costs and improving reliability while using fewer parts.

RCA Records posted a fourth consecutive year of new highs in sales and earnings, as sales of country music records rose 34% and classical records sales soared by 43%. Sixteen RCA albums and four singles went gold or platinum during 1978 as division president Robert Summer aimed to make RCA a more aggressive pop music label.

RCA commercial electronic products and services, showing a 23% increase in earnings on a sales gain of 10%, produces color television picture tubes, industrial tubes, solid-state and electro-optic devices, commercial broadcasting and communications systems and other electronic components for industry and business.

Color picture tubes set a new sales record, with gains resulting from strong domestic demand as well as the rising sales of RCA's Canadian, Mexican and Brazilian products, and RCA maintained its position as the U.S. market leader.

Solid state sales attained record levels although profits dipped as

The Bulletin
circulates 257,261 more
newspapers in the
14-County City & Retail
Trading Zones
than The Inquirer
Monday through Sunday

If you're an advertiser and your customers live in the Greater Philadelphia area, then take a good hard look at the map above.

Because in this area, Monday through Sunday, your potential customers will get their hands on 257,261 more Bulletins than Inquirers.

Surprised? You shouldn't be.

Because last year retail and national advertisers, like yourself, placed 1,878,917 more lines of advertising in The Bulletin than in The Inquirer.

This leadership — plus our circulation dominance — make selling very simple.

It pays to put your money where your market is.

And in Greater Philadelphia The Bulletin is the market. Phone: (215) 662-7474

The Bulletin
Morning. Evening. Weekend. Sunday.
Putting your money where your market is.

Sources: ABC Fas-Fax 6 mos. ending 3/31/79
Computation by The Bulletin Research Department

Member, Million Market Newspapers, Inc.

the result of production problems in integrated circuits.

RCA broadcast activities increased 11% in revenues, not nearly enough to offset the 20% drop in profits. Nine new mid-season series were selected from perhaps 60 series pilots in the winter following Mr. Silverman's arrival, as all the new-for-fall '77 series were scrapped.

From his June '78 arrival through summer '79, Mr. Silverman has canceled 18 series and has passed over several other spring-summer '79 tryouts in preparing the fall schedule.

NBC-TV continued to lag behind front-running ABC and runner-up CBS in the prime time Nielsen ratings battle (and was having difficulties in other dayparts too), despite such '78 programing highlights as the "Holocaust" miniseries.

A record World Series audience of 135,000,000, however, did keep NBC in second place for much of the early part of the 1978-79 season.

The first concrete response to Mr. Silverman's call for sponsors to get back into supplying prime time series, and not just specials and tv movies, came from Procter & Gamble, whose "Shirley" starring Shirley Jones is due in September.

▪ Revenues from the five NBC owned and operated stations reached record levels, helped by an all-time high in local billings; earnings were the highest since 1969. These stations, located in New York, Chicago, Cleveland, Washington and Los Angeles, sponsored a "Health Fair" in 1978 with 140,000 people receiving free health screenings.

NBC Radio, reorganized in September, posted its highest sales in 23 years, as the four am and the four fm stations gained.

NBC plans to acquire three addition am and three more fm outlets in the top 20 radio markets. NBC began testing a new youth-appeal fm network earlier this year.

RCA vehicle renting and related services consists mainly of the Hertz Corp. and its various activities. Market leader Hertz recorded its seventh consecutive year of profit highs with an increase of 17% and 12% in sales. Among its 4,000 car rental outlets, 1,400 are at airports. During '78, Hertz signed marketing agreements with Ramada Inns, Best Western, Amtrak and American Express in Hawaii.

▪ The RCA communications segment consists of RCA Global Communications and RCA American Communications. RCA Alaskan Communications was sold in 1978 to the Pacific Power & Light Co. for $200,000,000 in cash plus any 1979 increase in the company's net worth.

Sales of this segment were up 12% and earnings jumped 31% following a 5% drop in 1977, as its Satcom I and II satellites were increasingly in demand by network and non-network broadcasters.

Among RCA's other products and services are those subsidiaries engaged in food, carpet and book publishing. These include Banquet Foods, Coronet Industries, Random House (including Alfred A. Knopf, Ballantine Books, Pantheon, Vintage, Modern Library and various educational divisions) and Oriel Foods of the United Kingdom.

In measured spending, the biggest gainer was network radio, up 80%. Magazines increased 38%, newspapers 34%, outdoor 31% and network tv was up 29%. Spot radio expenditures were down by 50% and spot tv showed a 10% decline.

▪ RCA color tv sets once again claimed the heaviest advertising support with measured media spending of nearly $11,000,000, down about $1,000,000. Of this total, $7,800,000 was spent in network tv.

The Kodak Ektralite 10 camera has a convenient built-in electronic flash to catch all the action.

Eastman Kodak continues to use actor Michael Landon to make the pitch for its various lines of cameras.

Advertising for Hertz was up 28% to $10,200,000, the largest chunk—$9,500,000—going for car rental activities. Over half of this total, $5,100,000 supported O. J. Simpson's dashes through airports on network tv; another $3,300,000 supported these commercials on spot tv.

Mr. Simpson will continue as the Hertz spokesman through 1980 at least. The Hertz rental car account moved to Scali, McCabe, Sloves from Ted Bates & Co. in February. Hertz' new advertising theme, "Where Winners Rent," broke in newspapers and on network tv during March.

NBC spent over $11,000,000, mostly to promote the tv network and its programing, a 43% increase over 1977. Most of this total went into magazines.

RCA Music Service spent $5,600,000 in magazines. Another $1,800,000, mostly in spot tv, backed RCA Records, which also is a hefty p.o.p. spender. More than $4,000,000 was spent for RCA's SelectaVision system in network tv, up from the $1,500,000 invested during 1977.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 19,143,500	$ 14,343,400
Magazines	22,370,400	16,747,300
Spot tv	9,758,400	11,133,800
Network tv	20,809,600	16,142,100
Spot radio	209,700	498,000
Network radio	119,800	66,600
Outdoor	426,000	326,800
Total measured	72,837,400	59,258,000
Unmeasured	67,162,600	64,742,000
Estimated total	140,000,000	124,000,000

CORPORATE MARKETING STAFF

K. W. Bilby, exec vp-corp affairs
Lester Bernstein, vp-corp communications
L. M. Berberien, staff vp-mktg
Marilyn Watts, staff vp-mktg services
D. L. Alligood, director-corp adv
George Montaigne, director-adv & media services
Tom Lobe, director-mktg planning

ADVERTISING AGENCIES

Ted Bates & Co., New York—RCA corporate adv—Lee Hines, mgmt super

Uniworld Group, New York—RCA community affairs—Byron Lewis, president, Tillman de Graphenreed, acct exec

CONSUMER ELECTRONICS DIVISION

Arnold T. Valencia, exec vp-mktg operations
J. K. DeVoe, vp-adv & merch services
W. S. Beres, natl adv mgr
R. D. Levin, retail adv mgr
R. E. Eddy, vp-warranty programs & training

ADVERTISING AGENCY

Leo Burnett Co., Chicago—Dennis Dunlap

RCA SERVICE CO.

E. A. Malm II, director—consumer products mktg
R. Ziselman, mktg services mgr

ADVERTISING AGENCIES

Al Paul Lefton Co., New York and Philadelphia—J. W. North, mgt super; Herb Rosen, acct super; George Tibbets, acct exec.

Richard Bandler Co., New York—William Young, vp

DISTRIBUTOR & SPECIAL PRODUCTS DIVISION

P. R. Slaninka, div vp-mktg & consumer products mgmt
H. L. Craton, director-sales
A. D. Ricketti, mgr, mktg services

ADVERTISING AGENCY

Al Paul Lefton Co., Philadelphia—Ken Haverstick, acct exec.

RCA RECORDS

Jack Chudnoff, vp-creative services
Barbara Sisilli, adv media mgr

ADVERTISING AGENCY

Grey Advertising, New York—Len Fogge, acct exec.

RCA MUSIC SERVICE

R. Starmer, div vp-music service
Stratis Simon, adv & promo mgr

ADVERTISING AGENCY

Tatham-Laird & Kudner, New York—Robert Cherins, managing partner; Ralph Cohen, acct super; Deborah Newkerk, acct exec.

COMMERCIAL COMMUNICATIONS SYSTEMS DIVISION

Neil Vander Dussen, div vp-genl mgr
Miles Moon, creative services mgr
James Gimbel, mktg director-broadcast systems
C. H. Roberts, domestic mktg mgr-avionics systems
A. Tone, intl mktg mgr-avionics systems
W. K. Shaw, domestic sales mgr-mobile communications systems
R. Hamblett, intl sales mgr-mobile communications systems
Don Reinert, mktg mgr-cablevision systems

ADVERTISING AGENCIES

Lewis & Gilman, Philadelphia—broadcast and mobile communications—R. P. Van Brott, acct super.

Graham & Sparkman, Torrance, Cal.—avionics systems—Clifford Graham, mgmt super.

RCA PICTURE TUBE DIVISION

R. B. Means, div vp-U.S., Canada & Far East mktg
R. F. Dunn, mgr-mktg rsch, news & info

SOLID STATE DIVISION

W. B. Dennen, director-public affairs
D. W. Ludlum, mgr-adv & sales promo, solid state
R. A. Santilli, div vp—integrated circuits
E. M. Troy, div vp-solid state power
Dr. R. E. Simon, div vp-electro optics & devices
J. F. Chattin, mgr-adv & sales promo, electro optics & devices

ADVERTISING AGENCY

Ries, Cappiello, Colwell, New York—John Carden, acct exec.

RCA GLOBAL COMMUNICATIONS

R. J. Angliss, exec vp-services & mktg
M. L. Finkelstein, vp-mktg
Ed Yeaker, mgr-adv

ADVERTISING AGENCY

Rumrill-Hoyt, New York—Terry O'Connor, acct exec.

RCA AMERICAN COMMUNICATIONS

John Williamson, director-public affairs
R. L. Graff, administrator-news & public affairs

ADVERTISING AGENCY

Hammond & Farrell, New York—Jeff Kaumeyer, vp.

GOVERNMENT SYSTEMS DIVISION

Dr. James Vollmer, div vp-genl mgr
G. D. Prestwich, div vp-mktg
N. F. Pensiero, director-mktg services
W. F. Tait, vp-field mktg
P. F. Martin, director, mktg & advanced planning-astroelectronics
F. H. Stelter Jr., mktg director-govt communication systems
J. E. Murname, mktg director-automated systems
R. P. Cheetham, mktg director-missile & surface radar

ADVERTISING AGENCY

Al Paul Lefton Co., Philadelphia—Richard Rossi, acct exec.

BANQUET FOODS CORP.

R. W. Bedecker, exec vp-mktg
B. G. Babcock, vp-mktg services
E. B. Powell, director-adv

ADVERTISING AGENCY

Case & McGrath, New York—Donald Gilbert, vp.

CORONET INDUSTRIES

V. J. Vigliano, mgr-adv, promo & pr

HERTZ CORP.

Hal Bingaman, vp-product mktg
George MacMahon, mktg director-truck div
Stefan Bethe, mktg director-car leasing div
William Henneberry, mktg director-rent-a-car div

ADVERTISING AGENCIES

Scali, McCabe, Sloves, New York—car div—Murray Gaylord, acct exec.

Ogilvy & Mather, New York—car & truck leasing div—John Kelly, mgmt super.

NATIONAL BROADCASTING CO.

M. Weinblatt, president-NBC Entertainment
W. Watts Biggers, vp-adv & creative services
Richard Kahn, vp-on-air promo
Mike Mohamad, vp-print & design
Frank Pintauro, vp-adv operations
R. Blackmore, vp-sales
R. W. Golden, vp-mktg

ADVERTISING AGENCY

McCann-Erickson, New York—R. Ravitz, senior vp & mgmt rep; Steve Seiter, vp & acct super; Les Greenwald, acct exec; J. Schoenfeld, media director; R. Gallagher, associate media director; I. St. Amand, media planner.

RANDOM HOUSE

Dan Del Col, adv director

ADVERTISING AGENCY

Sussman & Sugar, New York—Mel Fauer, acct exec.

RCA LTD. (CANADA)

J. K. DeVoe, vp-adv & mktg services
L. Small, mgr-Canadian adv

ADVERTISING AGENCY

Leo Burnett Co., Toronto—Peter Stuart

Ralston Purina Co.

	1978	1977
Sales	$4,058,400,000	$3,760,000,000
Earnings	154,600,000	142,700,000
Advertising	91,000,000	80,673,900

Ralston Purina Co., St. Louis, the 43rd largest national advertiser, boosted its ad spending by about 13% in 1978 to an estimated $91,000,000, more than restoring the cutback in 1977 when advertising dropped to $80,673,900 from $87,780,000 the previous year.

Sales in fiscal 1978, ending Sept. 30, topped $4 billion for the first time, up 8%. Earnings also set a company record of $154,600,000, an increase of 8%.

Ralston Purina attributed the increased sales and earnings primarily to excellent performance in the agricultural feeds and products area—particularly feed operations outside the U.S. The cereal and pet food operations also showed improvement.

In pet foods, Purina continued to increase its sales and earnings and maintained its over-all dominance with a market share estimated at 31.6% by industry analyst John C. Maxwell. Purina is particularly strong in dry pet foods, with four of the top five brands in both dry dog food and dry cat food.

▪ Purina puts about 60% of its measured ad budget behind its pet foods, largely in network and spot tv. Among the heaviest advertised brands in 1978 were Purina Dog Chow ($9,161,000); Cat Chow ($8,099,200); Puppy Chow ($6,239,400); Meow Mix ($5,957,700); Chuck Wagon dog food ($5,846,700), and Dog Meal ($4,509,100).

Purina increased measured ad spending for Chuck Wagon dog food, but the No. 3 product in the marketplace continued to slip in sales. Ad spending on Chuck Wagon in 1978 totaled $5,846,700, up more than $2,000,000 over 1977. Market share, however, slipped from 9.8% to 8.5%, estimates industry analyst Mr. Maxwell, while dollar sales also slid.

TOGETHER IN CRUNCHEWY CHUCK WAGON DOG FOOD.
CHUCK WAGON

Ralston Purina Co. increased ad spending for Chuck Wagon during 1978 by more than $2,000,000.

Dog Chow and Puppy Chow continued to maintain a firm hold on the Nos. 1 and 2 spots in dry dog food, with dollar sales increases, but some erosion in market share.

Over-all, Purina lost about 1.1% of the pet food market, due primarily to pressure from competing products. Purina, however, also has a number of new products, which either went national in late 1978 or are on the verge of doing so this year.

▪ In an effort to counter inroads made by Quaker Oats' soft-dry dog food Tender Chunks, Purina rolled national in October with its own Moist & Chunky, backed by $1,800,000 in measured advertising its first two months. Ad support for the first year was projected at $10,000,000 to $14,000,000.

Purina is expanding out of test market with Bonz, a dog biscuit snack shaped like a cross-section of bone, which received nearly $600,000 in measured media support in 1978. Nabisco's Milk Bone biscuits still dominate that segment of the market with about 60%.

The company also added new entries to the dry cat food market, introducing Cat Chow Country Blend nationally in September. Purina also went national with Good Mews dry cat food, with an ad budget reported in excess of the $14,500,000 used to launch Fit & Trim dry dog food—which at the time was said to be the company's heaviest support for a new product introduction.

Purina's Cat Chow is in a strong No. 1 position in the dry cat food market, with a 1978 share estimated at 32% by Mr. Maxwell (down slightly from 1977). The company also holds the No. 3 spot with Meow Mix (market share estimated at 19%) and its Special Dinners are No. 4 (market share estimated at 10.7%). The company recently introduced a new Meow Mix flavor.

▪ In ready-to-eat cereals, Purina continued its inroads into the bran cereal market as HoneyBran went into test market in November, and is now rolling out. It joins Bran Chex, which, along with the other Chex cereal flavors, has an estimated 3.7% of the market share.

Ralston's children's cereal, Cookie Crisp, enjoyed good success in its first two years, moving from an 0.8% market share in 1977 to a 1.5% market share in 1978, which brought it into the top ten among children's cereals. The Chex cereals were backed by $9,181,800 in measured ad spending, while Cookie Crisp got $6,145,500.

The company's Country Stand fresh mushrooms grew in popularity after a successful 1977 national introduction. The company reports pound sales up 40% over 1977 and ad spending went from $8,100 to $134,000—all in magazines.

Despite the soaring sales, Purina said mushroom earnings were "short of planned expectations," citing severe winter weather as the cause of higher costs and reduced output in certain locations. A sixth harvesting facility was added during the winter.

▪ Results in the company's Chicken of the Sea tuna business faltered slightly for a second straight year "because of intense industry price competition and high costs," according to Purina Chairman R. Hal Dean. Chicken of the Sea received $3,586,900 in measured media spending.

Jack-in-the-Box Restaurants, run by the company's Foodmaker Inc. subsidiary, moved into battle with McDonald's for a share of the fast-food breakfast market. Early this year, Jack-in-the-Box introduced three breakfast entrees and offered a money-back guarantee if the customer wasn't satisfied with the breakfast. The restaurant chain also opened its 1,000th Jack-in-the-

Box during the summer of 1978. Ad support totaled $3,736,100 in 1978.

Purina's St. Louis Blues hockey club struggled through a losing season. But the company said it plans to improve marketing tactics for both the team and its Checkerdome arena.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 2,217,700	$ 2,772,000
Magazines	9,300,600	10,132,400
Farm publications .	592,200	622,000
Spot tv	14,752,500	11,529,900
Network tv	57,073,900	50,136,400
Spot radio	3,959,000	2,438,000
Network radio	307,500	61,200
Outdoor	31,200	783,800
Total measured ..	88,234,600	78,475,900
Unmeasured	2,765,400	2,198,000
Estimated total ..	91,000,000	80,673,900

CONSUMER PRODUCTS

MARKETING PERSONNEL

W. P. Stiritz, vp, director
W. M. Claggett, div vp, director—adv/mktg services
W. H. Lacey, div vp, director-mktg
J. P. Mulcahy, director, product mgmt
B. E. Gensame, director, product mgmt
J. H. Morris, director, product mgmt
D. B. Smart, director, Food Enterprises Division
R. D. Masson, director, Chemical Specialties

ADVERTISING AGENCIES

Avrett, Free & Fisher, New York—Purina Variety Menu, Kitten Chow, Cat Chow, Good Mews—Ron Thomas, mgmt super.

Checkerboard Advertising Co., St. Louis house agency—professional marketing services, Ry Krisp, new products.

Della Femina, Travisano & Partners, New York/Los Angeles—Meow Mix, Purina High Protein Dog Meal, new products—R. Clowes, New York; J. Travis, Los Angeles, mgmt reps.

Gardner Advertising Co., St. Louis—Chuck Wagon, Puppy Chuck Wagon, Puppy Chow, Fit & Trim, Bonz, new products—Donald Weakley, director, acct mgmt.

Mandabach & Simms, New York—Checkerboard Foodservice—Ron W. Plummer, vp, director.

MCA Graham, New York—new products—William Dunlap, managing director.

McDonald & Little, Atlanta—Cookie Crisp, Lovin' Spoonfuls, new products—Richard D. Thomson, mgmt super.

N.W. Ayer ABH, New York—Honey Bran, new products—Dominick Rossi, mgmt super.

Don Tennant Co., Chicago—Whisker Lickins, new products—Thomas J. Prchal, mgmt super.

Wells, Rich, Greene, New York/Los Angeles—Tender Vittles, Purina Dog Chow, Chex, Bran Chex, Jack-in-the-Box restaurants, Moist & Chunky, Butcher's Blend, new products—Thomas Derderian (human foods), David Bulleit (pet foods), New York; D. Michel, Jr., Los Angeles, mgmt supers.

Tatham-Laird & Kudner, Chicago—Special Dinners, new products—William Bienemann, managing partner; E. Reynold Petray, mgmt super.

CHOW DIVISION

E. L. McMillan, director, mktg

ADVERTISING AGENCIES

Vangard Communications (division of Gardner Advertising), St. Louis—Walt Lloyd, mgmt rep.

Kenrick Advertising, St. Louis—health industries—Gene Duncan, mgmt rep.

Checkerboard Advertising Co., St. Louis—Omolene.

VAN CAMP SEAFOOD

MARKETING PERSONNEL

R. C. Atchison, president
P. W. Rose, vp, mktg
A. Cashman, director, product mgmt

ADVERTISING AGENCY

N.W. Ayer ABH, New York—Chicken of the Sea tuna, new products—Ed Grossman, mgmt super.

RALSTON PURINA INTERNATIONAL

MARKETING PERSONNEL

T. H. Mullenix, corp vp, director
C. D. Fales, div vp—director, agriproducts mktg
V. L. E. Stisser, div vp-managing director, Asia/Pacific div
A. W. Donnelly, div managing director, Europe
R. N. Morrow, div vp-managing director, Mexico
J. E. Langley, div vp, Mexico
L. A. Van Houten, div vp-managing director, South and Central America

ADVERTISING AGENCY

RPI Agri-Products Marketing Services—L. F. Clay, mgr

PROTEIN/DAIRY FOOD SYSTEMS/-RALTECH SCIENTIFIC SERVICES

J. J. Anton, div. vp and dir of marketing

ADVERTISING AGENCY

Bryan Donald Advertising, Kansas City—Don Funk, mgmt rep

MARICULTURE

R. M. Moeller, managing director, mariculture operations

PRODUCE PRODUCTS

B. Harrington, director

ADVERTISING AGENCY

Vinyard & Lee & Williams, St. Louis—Country Stand fresh mushrooms and products—Dick Vinyard, mgmt vp.

DECO PLANTS

MARKETING PERSONNEL

P. S. Forman, director of mktg

RESTAURANT GROUP FOODMAKER INC.

MARKETING PERSONNEL

J. W. Goodall, president, ceo, Foodmaker
T. W. Doan, vp, Continental Restaurant Systems
F. J. Cornwell, vp, Jack in the Box
J. J. Bischoff, mktg director, Jack in the Box
R. Williams, director, Continental Restaurant Systems mktg

ADVERTISING AGENCY

Wells, Rich, Greene, Los Angeles—Jack in the Box, Continental Restaurant Systems—D. Michel Jr., mgmt rep.

KEYSTONE RESORT

MARKETING PERSONNEL

R. A. Maynard, president
J. D. Jones, vp, mktg

ADVERTISING AGENCIES

Checkerboard Advertising Co., St. Louis.

Heckler Associates, Seattle—Charles Fredericks, acct exec

ST. LOUIS HOCKEY BLUES

MARKETING PERSONNEL

E. Francis, director
J. Jones, mktg director

ADVERTISING AGENCIES

Checkerboard Advertising Co., St. Louis.

Martin/Williams Advertising, Minneapolis—Pat Fallon, mgmt super

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Revlon Inc.

	1978	1977
Sales	$1,451,669,000	$1,143,324,000
Earnings....	129,233,000	97,794,000
Advertising*	92,000,000	80,000,000

*Estimated by AA

Revlon Inc., New York, the 40th largest national advertiser, increased its ad spending 15% to $92,000,000 in 1978 as sales and earnings again reached record levels, climbing 27% and 32.5% respectively over 1977's figures.

In its annual report, Revlon put advertising worldwide at $137,725,000 or 9.5% of sales, against $105,774,000 or 9.3% of sales, the year earlier. These figures include costs for brochures, research and maintenance of the ad department not included by AA.

Factors cited as contributing to sales and earnings gains during 1978 include new product introductions, improved marketing and sales organization and integration of previously acquired operations such as Armour, Lewis-Howe Co. and Roux Laboratories.

Approximately 65% or $944,898,000 of Revlon's volume came from beauty products sales both here and abroad, while 35% or $506,771,000 was generated by health products and services both domestically and internationally.

■ In 1978, the U.S., Canada and Puerto Rico contributed $1.021 billion to total revenues; Europe, the Middle East and Africa, $259,311,000, and other areas of the world, $170,949,000. Beauty products contributed 64% of operating profit worldwide, while health products and services accounted for the remaining 36%.

Revlon's cosmetics and fragrance sales exceeded those of any other U.S. cosmetics and fragrance company selling through retail outlets. Additionally the beauty segment is credited with growth almost double that of the market's during 1978, giving Revlon an 18.5% share of the domestic cosmetics market and a close to 5% share internationally.

Beauty products introduced domestically in 1978 include Formula 2 Face makeup, Moon Drops Moisture Release Sports Stick, Revlon Colorfast Eyeshadow, Super Lustrous Creme-on Shadow & Super Lustrous Creme-on Blush, New Flex Light Conditioner, Flex antidandruff shampoo and corrective conditioner as well as line extensions under the Charlie name (blush, lip tint and oil free makeup) and Mitchum antiperspirant stick and nonaerosol pump spray.

The 1978 Ad Dollar Summary

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- The only complete listing of all brands active in six major media: consumer magazines, national newspaper supplements, network and spot television, network radio, outdoor.
- Expenditures for more than 24,000 brands—listed in alphabetical order with parent company identification and media used.

PLUS

- The top 1000 companies with Ad Dollars listed by media.
- The top 10 brands in each of 243 product categories with category total.

A complete summary of Ad Dollars from the PIB Service, BAR Broadcast Services, LNA Outdoor. The official industry figures prepared for MPA, TVB, RAB, OAAA used by every major advertiser and their advertising agencies.

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MARKETING PROFILES

Internally Revlon divides its beauty business into three groups, within which each consumer segment is served by a cosmetics "house" with products, packaging and marketing designed to match its characteristics.

Thus there are the popular priced houses of classic Revlon, Moon Drops, Natural Wonder and Charlie within Group I and the high fashion houses of Princess Marcella Borghese, Ultima II and Etherea Fine Fragrances within Group III.

Group II is composed of toiletries, hair care and coloring items and antiperspirants. During 1978, each group was assigned its own marketing and sales organization and president for more effective administration.

In early 1979, Revlon completed its acquisition of the Henry-Colomer Group, a European manufacturer of professional beauty care products, for $38,000,000. The acquisition marks Revlon's second purchase of an international cosmetics company in the last two years. Previously it bought Bozzano, based in Brazil.

Back in the U.S., Revlon extended distribution of its Sensor Perm, introduced in 1976, to 10,000 salons from 7,000 in 1977. Sensor Perm is part of the company's Professional Products division which supplies salons with regular and special formulations of Revlon products along with hair styling equipment.

Other Revlon efforts undertaken in the hair care area during 1978 included the reformulation of Group II's Colorsilk hair coloring, which was launched as a non-ammoniated formula early in '79 putting it head to head with Clairol's Clairesse, and the introduction of New Sensor Body Perm and Guys and Dolls Perm from the Professional Products division.

During 1979, it was also learned that Revlon is preparing to introduce a new home permanent called Instant Styling Perm through its personal products group.

■ In the ethnic hair care market, Revlon Realistic is said to have captured the lead position as supplier of relaxer solutions in the U.S.

Also it was learned that in the shampoo/conditioner market, Group II's Flex with balsam conditioner captured a 27% market share with sales rising almost 70% to an estimated $30,000,000 (factory). Although share estimates were not available for Flex shampoo, the brand's performance was termed strong by industry sources making Revlon the No. 3 marketer of shampoos behind only Procter & Gamble and Bristol-Myers. Trade sources noted conversely that the Flex anti-dandruff entry had not been turning well.

Other beauty products and fragrances also increased market share. Revlon's treatment products rose from an 11.7% share to well over 13% while fragrances posted an estimated 18.3% share. Revlon's Charlie and Jontue fragrances remained the No. 1 and 2 national brands, respectively. However, while Jontue sales continued to rise, Charlies were reported off by about 10%.

■ During the first half of 1979, it was also disclosed that Revlon plans to introduce a Norell 2 fragrance in the U.S. this fall while in Paris there are plans to launch Ivoire, a new scent from the house of Balmain.

A repackaged item from the cosmetics segment is a facial scrub bar under the Natural Wonder brand name which during 1978 was repositioned toward a slightly older customer.

The most heavily advertised Revlon cosmetics, treatments, fragrances and hair care products, according to measured media figures from Leading National Advertisers Inc., included the Flex hair care line which received $8,389,500; Charlie Perfume, $4,502,000; Jontue, $3,670,400; Natural Wonder cosmetics, $2,397,100; Formula 2 treatment and makeup, $3,275,000; and Milk Plus 6 creams, lotions, shampoo/conditioner, $2,541,200.

Among these, Flex registered the most dramatic increase in measured media expenditures, jumping from $4,535,900 in 1977. Network and spot tv were again the primary vehicles.

Norman, Craig & Kummel, which last handled Revlon Inc. assignments in 1968 started off 1978 with a Revlon reunion—the Milk Plus 6 line of moisturizers and cleansers. These were previously handled by Holland & Callaway which was dropped from the Revlon agency roster in 1978.

■ From Revlon's health care group, the Ice Band Cold Compress for first aid treatment was launched nationally in July, 1978. A part of Norcliff Thayer, the company's proprietary products unit, the brand's spending for print and promotion was estimated at $1,000,000.

Oxy 10, an anti-acne preparation from Norcliff Thayer spent its first full year on the market in 1978, surpassing the substantial volume of Oxy 5 and Oxy Scrub. The Oxy line is reportedly the second largest such product group in the anti-acne market.

Norcliff Thayer also took steps in 1978 to introduce Tums to the worldwide markets. Elsewhere in the health care group, USV International and Armour International were joined together abroad to create International Pharmaceuticals.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,214,800	$1,078,600
Magazines	9,580,700	8,411,700
Spot tv	13,259,800	12,464,100
Network tv	23,124,700	18,093,500
Spot radio	733,400	399,000
Network radio	945,700	591,700
Outdoor	55,800	2,100
Total measured	48,914,900	41,040,700
Unmeasured	43,085,100	38,959,300
Estimated total	92,000,000	80,000,000

REVLON INC.
New York

MARKETING PERSONNEL

Sanford Buchsbaum, sr vp-adv workdwide, Martin Stevens, vp-creative services, Susanne Kirtland, vp-creative director, George Feld, vp-adv services, Anthony Cozzolino, media/budget director, John Maisano, president, Group I. Harvey Schwartz, president Group II, Lawrence Wechsler, president Group III

ADVERTISING AGENCIES

Grey Advertising, New York—all classic Revlon and Natural Wonder products, Flex, Jontue, Colorsilk, Eterna 27. Blair Plowman, mgmt super.

50th Floor Workshop, Revlon's in-house agency—Revlon lipstick and nail enamel, Charlie, Chaz, Ultima II, Ciara, Cerissa, Etherea, Norell, Princess Marcella Borghese, Bill Blass. George Feld, vp, adv services, Rita Grisman, creative director

Marschalk Co., New York—Mitchum. Chet Kane, mgmt super.

Leo Burnett Co., Chicago—Moon Drops, Formula 2. Hank Feeley, mgmt director

Norman, Craig & Kummel, New York—Milk Plus 6. Jeff Clapp, mgmt super

REVLON HEALTH CARE GROUP
Tuckahoe, N.Y.

MARKETING PERSONNEL

Duane Miller, vp

USV LABORATORIES—DOMESTIC
Tuckahoe, N.Y.

MARKETING PERSONNEL

Robert E. Ivy, president/genl mgr

ADVERTISING AGENCIES

Klemtner Advertising, New York—Hygroton, Regroton, Doriden, Cerespan, MVI, Azolid-A, Aquasol A, Nitrospan. Martin Meaney, acct exec

Wesson & Warhaftig, New York—Arlidin. Steve Spittel, acct exec.

Maxon Davis Inc., New York—Pertofane special projects. Akin Toffey, acct exec

NORCLIFF THAYER
Tuckahoe, N.Y.

MARKETING PERSONNEL

Charles A. Pergola, president
Michael S. Lesser, exec vp/genl mgr
Jerome P. Alpin, mktg group mgr
Larry White, mktg group mgr
Linda L. Lovelace, new products director
Robin Mills, vp-brand management

ADVERTISING AGENCIES

Case & McGrath, New York—Oxy 5, Oxy 10, Oxy Scrub, A-200, new products. Don Gilbert, vp; Steve Bayer, acct super

Compton Advertising, New York—dental adhesives, Zonite, Alboiene, Pretty Feet & Hands, Co-Salt. David Basch, vp; John Daghlian, acct super; Betsy Rogers, acct exec

Marschalk Co., New York—Esoterica, Liquiprin, Nature's Remedy, new products. Barry Linsky, sr vp; Peter Detels, vp-acct super, David Watson, acct exec

Leo Burnett Co., Chicago—Tums, new products. Dan Reid, vp-acct super; Alan Yurman, sr vp-mgmt director

ARMOUR PHARMACEUTICAL
Phoenix, Ariz.

MARKETING PERSONNEL

Robert Lazor, vp-mktg & selling

ADVERTISING AGENCIES

Baxter, Gorian & Mazzi, Los Angeles—Tussars, Biochemicals. Norman Rosenquist, acct exec

Stewart Williams, Stamford, Conn.—Nicobid, Calcimar, Dialume, Biozyme, burn products. Ed Lindner, acct exec

BARNES-HIND PHARMACEUTICALS
Sunnyvale, Cal.

MARKETING PERSONNEL

Kevin Ryan, president

ADVERTISING AGENCY

Vicem Associates, San Francisco—Wetting Solution, Titan, Comfort Drops, One Solution, Gel/Clean, Degest 2, Cylsodrast, Komed, Komex, Barseb Ther-Spray, Neo Tears, Soft Therm, Soft Mate. Tom Spooner, sr vp-acct exec

NATIONAL HEALTH LABORATORIES
La Jolla, Cal.

MARKETING PERSONNEL

Robert E. Draper, president

ADVERTISING AGENCY

All advertising is handled in-house

MELOY LABORATORIES
Springfield, Va.

MARKETING PERSONNEL

Don Lewis, president
William Watson, vp

ADVERTISING AGENCY

All advertising is handled in-house

NEW
MOON DROPS
MASQUES
REVLON

Revlon's Moon Drops Masque was advertised in 4-color spread magazine ads. Moon Drops introduced Moisture Release Sports Stick in 1978.

R.J. Reynolds Industries

	1978	1977
Sales[†]	$6,622,100,000	$6,363,100,000
Earnings[†]	441,900,000	423,500,000
Advertising[*]	182,596,300	164,686,100

[†]Worldwide [*]U.S. only, AA estimate

R.J. Reynolds Industries, Winston-Salem, N.C., the 12th largest national advertiser, spent an estimated $182,596,300 on advertising in 1978, close to an 11% increase over 1977.

Worldwide company sales in 1978 rose 4%, to $6,622,100,000, while earnings increased 4.3%, to $441,900,000. Domestic and international tobacco sales, which accounted for 68% of corporate sales, rose 6.7% and 15%, respectively, during the year.

Shipping revenues, meanwhile, increased 15.4%, and RJR Foods saw its sales rise 4.6%. Energy revenues, on the other hand, declined 28.1%, but that was attributed primarily to the nationalization of the company's holdings in Kuwait.

R.J. Reynolds Tobacco Co., the nation's largest tobacco manufacturer, claimed 32.9% of all domestic cigaret sales, compared with a share of 33.1% in 1977. Four of the top 10 selling brands are RJR Tobacco products.

Winston, the company's top brand and No. 2 in the nation (Philip Morris Inc.'s Marlboro is No. 1), saw its market share slip slightly, from 14.7% in 1977 to 14% in 1978. The Winston Lights line, aided by the 1977 introduction of Winston Lights 100s, grew over 40% to secure a 2.8% market share as the best selling nonmenthol low-tar brand.

Measured media ad spending for the Winston brand totaled $29,272,200 in 1978, with $14,952,700 going to magazines, $5,639,800 to newspaper supplements and $8,729,700 to outdoor.

The Salem brand maintained its No. 4 position and 9% market share during the year. The line as a whole grew 35%, from a share of 2.4% to 3.5%. The Salem Lights 85s saw its share go from 1.5% in 1977 to 1.9% in 1978, while Salem Light 100s went from 0.9% to 1.2% over the same period.

Spending for the brand amounted to $25,430,300 in 1978, with $13,627,200 going to magazines, $7,518,600 to newspaper supplements and $4,284,500 to outdoor.

■ Significant news came in the Camel brand when Camel Lights, introduced into national distribution early last year, earned a 0.7% share for that first year. Camel Long Lights soon followed with an introduction early this year.

At the same time, in an effort to capture a larger share of the declining nonfilter market—estimated at 10% of the entire market—RJR began testing a new ad campaign for Camel nonfilters last year. The cigarets, which accounted for 2.7% of the market in 1978, were unadvertised for all practical purposes in recent years.

Measured media for the brand, No. 8 nationally, totaled $23,478,600 in 1978, with $12,154,400 going to magazines, $4,530,100 to newspaper supplements and $6,794,100 to outdoor.

In the low-tar category, the Vantage brand continued to move upward, with market share rising from 2.9% to 3.1%, making it No. 9 nationally. Vantage Longs, introduced in 1977, held a 0.6% share after having had a sales increase of 19.3%.

To bolster the brand's sales possibly even more, RJR in May introduced Vantage Ultra Lights into test markets in Boston, Indianapolis, Fort Wayne and Worcester, Mass.

Measured media spending for the brand totaled $15,643,000 in 1978, with $8,651,400 going to magazines, $4,143,300 to newspaper supplements and $2,848,300 to outdoor.

Real, the brand that proved to be a disappointment for RJR in 1977, saw its sales increase by 3.2%. Supported by a huge ad blitz when it was introduced in 1977, Real today holds a 0.4% market share, despite changes in ad approaches designed to bring the cigaret up to the 1.5% share expected the first year.

Real continued to see a heavy spending program with $16,935,900 going into measured media in 1978, compared with $14,569,000 the year before. A total of $8,696,200 was spent in magazines, $2,583,300 in newspaper supplements and $5,656,400 in outdoor.

Doral's sales continued to decline, 16%, in 1978. The brand, which has been unadvertised, witnessed the national introduction of Doral II during the year.

In the ultra low-tar category, Now went through an "image change," with its tar content rising from 1mg to 2mg. Instead of playing a numbers game with American Tobacco's Carlton, Now began to position itself as a choice of the affluent man and woman.

Measured media spending for the brand, which maintained a 0.5% share, amounted to $7,811,500, with virtually all of it going into magazines.

More, the 120mm cigaret wrapped in brown paper, had a 4.6% increase in sales in 1978, giving a 1% market share. Spending totaled $10,474,700 in 1978, with $5,385,900 going to magazines, $1,953,400 to newspaper supplements and $3,135,400 to outdoor.

RJR Foods, with its Chun King brand, is No. 1 in canned Chinese food and near the top in frozen Chinese food. Its Patio line is No. 1 in frozen Mexican foods. Hawaiian Punch is a significant factor in the canned drink field.

One of the most significant developments for the company during the year was its merger with Del Monte Corp., which puts RJR Foods in a leading position in fruits and vegetables and canning, both in the U.S. and in foreign markets.

In the deal, RJR paid $619,000,000 for Del Monte, which reportedly had revenues of $1.6 billion in 1977. Del Monte's ad spending was small by RJR standards. Measured media expenditures in 1978 totaled $3,085,300, with most spent in magazines or network television. RJR Foods, on the other hand, spent $15,602,900 in 1978, most of it for Hawaiian Punch.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$61,093,400	$59,044,700
Magazines	71,517,200	59,588,900
Spot tv	7,113,300	4,842,800
Network tv	7,947,000	5,148,400
Spot radio	221,500	89,000
Outdoor	31,987,500	33,552,300
Total measured	179,879,900	162,236,100
Unmeasured	2,716,400	2,450,000
Estimated total	182,596,300	164,686,100

R.J. REYNOLDS TOBACCO CO.

MARKETING PERSONNEL

R.E. Anderson, exec vp-mktg
T.E. Sandefur Jr., vp-adv & brand mgmt
N. Glover, director, brand mgmt
Mike McAllister, C.W. Fitzgerald Jr., Sally Mackinnon, group brand mgrs
Marty Orlowsky, director of media
J.F. Hind, vp-planning
Carlos A. Martin, director, new brands
C.C. Standen, director, mktg services
J. Stuart, director, mktg rsch

ADVERTISING AGENCIES

William Esty Co., New York—Salem, Camel—Paul R. Dooling, president, acct director; Laurence M. Wassong, acct group head; John E. Neal, William D. Ponzer, vps, mgmt supers; Jeff Hill, art director, creative co-director; Patrick Fanelli, Chet Stover, creative directors; Emil Dispenza, vp, art director.

Dancer Fitzgerald Sample, New York—Winston, Winchester cigars—Thomas E. Bohan, exec vp, mgmt director; Edward W. Boyer, senior vp, mgmt super; Gerald P. Darringer, Nancy H. Burghart, J. Michael Leahy, vps, acct supers; Dana N. Blackmar III, exec vp, creative director; John T. Lucci, exec print art director, tv producer

Leber Katz Partners, New York—Vantage, More, Now—Stanley H. Katz, senior mgmt; Jerome L. Davidow, senior mgmt super; Walter A. Carey Jr., mgmt super; Jack Silverman, Bernard Zlotnick, Max Sapan, creative directors

Tatham-Laird & Kudner, Chicago—smoking and chewing tobacco, special projects—Charles Standen, Jerry Birn, managing partners; Tim Collins, mgmt super; Tom Mc-

Donald, Kirk Borland, acct supers; Dave Fairman, exec creative director; Bob Bassindale, Joel Goldsmith, creative directors.

BBDO, New York—Doral—Jerry Lee, vp, mgmt super; Phil Slott, creative director.

Ogilvy & Mather, New York—Real—Graham Phillips, exec vp, mgmt super; C. Michael Newbrand, vp, mgmt super; David Scott, exec vp, creative head.

RJR FOODS

MARKETING PERSONNEL

R.A. Mier, vp-mktg
W.C. Graham, director-brand operations, prepared foods
C.S. Weiss, director-brand operations, new products
D.F. Chmiel, director-brand operations, beverages
J.C. Bieda, director-mktg rsch

ADVERTISING AGENCIES

BBDO, New York—Hawaiian Punch—T. Newline, vp, mgmt super; W. Kelly, acct super; C. Good, J. Vaughan, acct execs.

Advertising to Women, New York—Chun King, Patio, new products—John Ernst, chairman; Lois Ernst, president.

Lee King & Partners, Chicago—Milk Mate—Jerry Reshkin, exec vp; Gary Waldron, vp & acct super.

Richardson-Merrell

	1978	1977
Sales†	$944,961,000	$836,004,000
Earnings†	66,179,000	57,180,000
Advertising*	105,000,000	90,000,000**

†Fiscal years ended June 30, 1978, and June 30, 1977.
***AA estimate **Restated**

Richardson-Merrell, Wilton, Conn., the 37th largest U.S. advertiser, raised advertising and promotion about 17% to an estimated $105,000,000 in 1978.

Worldwide ad spending rose 21% to $179,279,000, according to the company.

Manufacturer and marketer of proprietary medicines, toiletries, ethical pharmaceuticals, animal health products, chemicals, and furniture refinishing and care products. Richardson-Merrell boosted sales 13% to $944,961,000 in the fiscal year ended June 30, 1978. Net earnings increased 15.7% to $66,179,000.

- The Vicks consumer products divisions reported a sales increase of 19.3%. Oil of Olay, of the toiletry products division, continued to show sales growth, though the rate was down somewhat from the previous two years.

In the health care division, sales of cold products rose substantially in response to a high cold/flu incidence. The products held or gained consumer share unit in every category.

For the first time in a number of years, cough drops—reacting favorably to strong ad support—held market share.

Clearasil continued to lead the teen skin care category, despite strong competitive challenges, but Lavoris sales buckled in the face of heavy competition.

New products introduced nationally last fall include Topex, an acne cleaning lotion; Complete, a denture cleanser and toothpaste combination, and Night of Olay, a nighttime skin cream.

- Good results were reported by Merrell-National Laboratories, the domestic ethical pharmaceutical division which markets a line of prescription pharmaceutical specialty products in several categories, including antidepressant, antispasmodic, anti-obesity, and antinauseant.

Merrell also markets otc products, including Cepacol mouthwash and throat lozenges, and Cepastat sore throat spray and throat lozenges. Two new drugs are now under review by the U.S. regulatory authorities.

New compounds for cardiovascular and central nervous system disorders and abnormal cell growth control are under clinical evaluation in the U.S. and abroad. In addition, the first prescription laxative, Chromulac, is about to be launched.

The recently acquired Formby's Refinishing Products continued to post profits.

In fiscal 1978, Richardson-Merrell sold two of its divisions: Tulox-Lumelite-Bradley to a group of private investors, and Jensen-Salsbery Laboratories to Burroughs Wellcome Co. In January, 1978, the biological vaccine operation at Swiftwater, Pa., was donated to The Salk Institute for Biological Studies.

Richardson-Merrell's U.S. measured media total—almost all of it spent by the Vicks division—was up about 17% to $56,086,400, a $8,058,700 increase over 1977.

Spending in network and spot tv rose 18%. Network and spot radio received $3,168,000, an increase of about 60%. Magazines got $2,597,500, a decline of 20%, and $241,100 went to newspapers.

Almost half of the measured media total was in support of Vicks cold products, with the largest expenditures directed at NyQuil Nighttime colds medicine. Of the $7,069,400 budget allotted to this brand, $5,046,800 went to network tv.

Vicks Sinex Long-Lasting nasal spray was backed by $3,216,100 in measured media, almost exclusively for network tv. Vicks Formula 44 cough syrup and 44-D cough syrup, in newly designed packages, got $3,054,000 and $2,037,200 respectively, almost all for network tv.

- Oil of Olay continued to receive the company's heaviest advertising support with a total measured media budget of $18,074,100, $14,621,800 in network tv. Oil of Olay's 1978 budget in measured media was down from 1977's outlay of $20,000,000.

Oil of Olay's 1978 campaigns were aimed at a younger audience, but sales continued to be strongest among women over 30. Richardson-Merrell succeeded in winning suits against five companies producing similar skin lotions.

Clearasil, which continued to dominate the acne remedy category, received less ad support than last year. Clearasil medication got $633,800 in measured media support; Clearasil medicated cleanser, $1,110,900, and Clearasil Acne Lotion, launched in July of 1977, $2,138,700.

New products promoted in various test markets and during national rollouts by R-M in 1978 include Night of Olay, a skin cream which received $136,000 in spot tv support; 60/40/20, an oil control facial cleanser; Topex acne medication, and Complete, a denture cleanser-toothpaste which received the heaviest backing of all the new products—$3,299,800. Complete, supported by print, tv and in-pack sampling captured 75% of the denture cleanser category in test.

Vicks Daycare was shifted from Benton & Bowles to Case & McGrath. Other agency changes were Complete denture cleanser from Benton & Bowles to Young & Rubicam and health care division-military market from Wilson, Haight & Welch to James E. Wagner Corp., Hartford, Conn.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$107,600	$198,300
Magazines	2,597,500	3,654,200
Spot tv	10,367,100	7,981,000
Network tv	39,712,700	34,275,500
Spot radio	2,783,200	1,536,000
Network radio	384,800	382,700
Total measured	56,086,400	48,027,700
Unmeasured	48,913,600	41,972,300**
Estimated total	105,000,000	90,000,000**

****Restated**

VICKS HEALTH CARE DIVISION

MARKETING PERSONNEL

W.I. Bergman, president/genl mgr
T.W. Peterson, vp-mktg
S.W. Bryan, mktg director
J.B. Cappio, mktg director
W.S. McGranahan, vp-mktg services

ADVERTISING AGENCIES

Benton & Bowles, New York—John Ferries, senior vp, group super; Richard Hopple, senior vp, mgmt super.

THE 2-BILLION DOLLAR FAMILY.

It's alive and well and living in the Greater Miami Latin Market.

DIARIO LAS AMERICAS

DIARIO LAS AMERICAS

DIARIO LAS AMERICAS

That's right! It's a Latin family. And it's an affluent family. As a matter of fact, it's worth $2-billion each and every year.

$2.2-billion, to be exact*. For that is the aggregate annual income of the more than half-million Spanish-speaking people making up the Greater Miami Latin Market.

Being affluent, this 2-billion dollar family spends a lot of money. On food. On entertainment. On travel. On cars. On clothes. On the home. On the whole family.

And it's a large family, averaging 3.4 members per household*.

But for you--the advertising decision-maker--the most important aspect of this 2-billion dollar family is that it speaks and reads in Spanish. Not only does it speak and read it, but it lives, breathes and thinks in Spanish. Therefore, it makes its buying decisions in Spanish.

And the place this Latin family goes to every day to get help in making those buying decisions is DIARIO LAS AMERICAS. The #1 Spanish-language daily newspaper. Particularly oriented to the Latin family.

Make sure you get your fair share of this 2-billion dollar family. Reach it by advertising in DIARIO LAS AMERICAS.

*Source: "Dade Latin Market 1978"
Strategy Research Corporation

DIARIO LAS AMERICAS

The Spanish-language daily newspaper
Founded July 4, 1953

26 YEARS OF CONTINUOUS DAILY PUBLICATION

For additional information call: (305) 633-3341
Or write: Advertising Department, DIARIO LAS AMERICAS
2900 N.W. 39th Street, Miami, Florida 33142

MARKETING PROFILES

BBDO, New York—Allen Rosenshine, senior vp; Norm Bierman, mgmt super.

Case & McGrath, New York—Leon Kreger, acct super.

VICKS TOILETRY PRODUCTS DIVISION

MARKETING PERSONNEL

J. D. Auty, president, genl mgr
C. Nash, exec vp
D. V. Sheehan, vp, mktg

ADVERTISING AGENCIES

Benton & Bowles, New York—John Ferries, senior vp, group super; Ken Hite, senior vp, mgmt super.

Della Femina, Travisano & Partners, New York—Arnie Wechter, senior vp; Paula McCorkle, mgmt super.

Young & Rubicam, New York—Robert Gleckler, senior vp; mgmt super.

MERRELL-NATIONAL LABORATORIES DIVISION

MARKETING PERSONNEL

D. B. Sharrock, exec vp
W. J. Godfrey, vp-sales
K. R. Monroe Jr., vp-medical promo & planning
P. L. Wilson, vp-otc promo & planning
F. R. Gace, director, adv

ADVERTISING AGENCIES

Benton & Bowles Medicus Communications, New York—prescription products—Nick Maiali, vp, client services; Edward Smith, acct exec.

Shaller-Rubin Associates, New York—otc products—Paul Goldsmith, acct super; John Donati, acct exec.

J. T. BAKER CHEMICAL CO.

MARKETING PERSONNEL

N. P. Klaas, exec vp
P. E. Brunswick, mktg director—laboratories
B. M. Rein, mktg director-bulk
J. L. Zapf, director, mktg admin

ADVERTISING AGENCIES

Naimark & Barba, New York—George Naimark, president; David Barba, vp.

Rosston, Kremer & Slawter, New York—Paul D. Slawter, vp.

FORMBY'S INC.

MARKETING PERSONNEL

R. A. Ahrens, vp, genl mgr
J. D. Mitchell, vp, sales

ADVERTISING AGENCY

Epstein, Raboy Advertising, New York—Jerry Martin, mgmt super.

VICK INTERNATIONAL Europe/Africa

MARKETING PERSONNEL

G. B. McClure, president, genl mgr
J. R. Markley, exec vp, mktg director
J. W. Coyne, group director, cough & cold products
R. May, group director, Clearasil
J. W. Blades, group director, toiletries
D. O. Shultz, group director, baby products, oral hygiene

VICK INTERNATIONAL Latin America/Far East

MARKETING PERSONNEL

T. M. McGuire, president, genl mgr
P. M. McKinley, vp, asst genl mgr
R. A. Isabel, director-mktg, personal care products
R. A. Olson, director-mktg, personal health products
W. A. Crowther, director-mktg, communications
W. P. Strenkert, director-mktg rsch

Oil of Olay continued to receive the most ad support—$18,000,000—among products in Richardson-Merrell's stable of products.

A. H. Robins Co.

	1978	1977
Sales	$357,070,000	$306,713,000
Earnings	29,916,000	26,801,000
Advertising	32,886,000	31,552,000*

*Restated

A. H. Robins Co., Richmond, Va., maker of pharmaceutical, health care and consumer products, was the 95th largest national advertiser in 1978, spending $32,886,000. The company said it spent $36,886,000 in worldwide advertising in 1978.

The company's sales grew 16% in 1978, to $357,070,000, while earnings were up 12% to $29,916,000.

Health care products accounted for 69% of the company's worldwide sales, with the remainder contributed by sales of consumer products. Principal consumer products in the U.S. include Sergeant's pet care products, the Quencher line of cosmetics and Chap Stick lip balm. Robins also markets the Caron line of fragrances, out of Paris.

About 40% of the company's measured media investment (almost entirely in spot tv) went to back the Quencher line, although the $11,000,000 total was down considerably from 1977's $14,000,000. Nearly $7,000,000 backed Lip Quencher lipstick and about $3,500,000 was put behind Skin Quencher hand and body lotion.

- In the fall of 1978, the company introduced eight Countryborn colors as replacement shades in the Lip Quencher line, which continues to be the largest selling brand of lipstick in drug and food stores. In test is Quencher Nail Glaze, an nail enamel in 18 shades, which received $16,000 on spot tv in 1978.

Chap Stick products received about $4,000,000 in measured media. A new orange-flavored Chap Stick was introduced in October, 1978, and in June, 1978, Robins introduced Lip Treat, a flavored lip gloss directed toward the youth market. Available in six flavors, Lip Treats were backed by $550,000 in measured media the first six months.

The company backed its Sergeant's pet care products with more than $5,500,000 in measured media, of which $4,500,000 was put behind pet collars. Sergeant's products compete in a highly competitive market, dominated by Hartz Mountain Corp., which has more than 50% of all branded product sales.

Early in 1979, Sergeant's introduced a new fast-acting flea and tick collar in Canada for puppies, dogs and cats. It, for the first time, combines vaporizing and dusting action. U.S. registration is pending.

- Health care products are the company's most important area. Principal pharmaceutical products are drugs for coughs and colds, antispasmodic drugs for gastrointestinal disorders and skeletal muscle relaxants. The company distributes its health care products throughout the U.S., as well as in Canada, Latin America, Europe, the Far and Middle East and Africa.

Robins' Robitussin family of cough syrups is No. 1 among cough preparations sold in pharmacies. Last year marked the first full year of marketing four Robitussin formulations directly to retailers. (Two formulations are still marketed on an ethical basis, as they contain codeine.) The four formulations sold directly captured the No. 2 position among cough medicines available through food outlets.

As part of the direct marketing program, Robins initiated a program of heavy consumer advertising for these products, putting about $4,600,000 into measured media for Robitussin in 1978. The company plans an expanded program of both print and tv promotion in 1979, continuing the "Ask your docotor or pharmacist" message.

The company continues to emphasize more traditional forms of promotion for its pharmaceutical products—advertising in medical and pharmaceutical journals and detailing by sales representatives. These expenditures do not show up in measured media figures, and are estimated to account for the bulk of Robins' nearly $10,000,000 in unmeasured ad spending.

Robins ranks 22nd in the over-all health care market, and 19th among those companies marketing ethical pharmaceuticals. In addition, a 1978 research study showed that the company is No. 5 among U.S. pharmaceutical manufacturers in new prescriptions written. It had 11 products among the top 200 most widely prescribed products in the U.S. in 1978.

- In February, 1979, Robins received final approval from the Food & Drug Administration for marketing an injectable form of Reglan, a drug that increases upper gastrointestinal motility. The company is still awaiting approval for Tenathan, a new antihypertensive drug.

Robins began marketing Allbee vitamins with vitamin C and Z-Bec vitamins directly to retailers in March, 1979. Dimetane antihistamine tablets and elixer, formerly available only through prescription, were relabeled for over-the-counter use and offered to retailers at the same time.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ —	$237,400
Magazines	2,225,400	3,738,300
Spot tv	24,937,800	21,880,600
Outdoor	1,000	—
Total measured	27,164,200	25,856,300
Unmeasured	5,721,800	5,695,700
Estimated total	32,886,000	31,552,000*

*Restated

MARKETING PERSONNEL

Corporate

E. Claiborne Robins, chairman
E. Claiborne Robins Jr., president
George E. Thomas, exec vp
John L. Burke, vp, sales mgr
Dale R. Taylor, vp, mktg
Frank W. Mann, Jr., adv director
Frank W. Gilbert, mktg rsch director
John D. Taylor, pr director

VioBin Corp.

W. E. Melby, president

Parfums Caron

Henry Alexander Bertrand, president
A. Stuart Powell, vp, genl mgr, Caron Corp.

Chap Stick Co.

Daniel E. French, president
David B. Wallace, vp, mktg
Frank C. Britt, director, promo mktg
Randy Wheeler, mkt devel mgr

Miller-Morton Co.

DeWitt F. Helm Jr., president
Jack E. Francis, vp, genl mgr
E. Gordon Johns, brand mgr, h&ba
L. Bradford Armstrong, brand mgr, pet care products remedies
Russell Brundige, brand mgr, pet care products/accessories
Sally Wood, group mgr, cosmetics

ADVERTISING AGENCIES

Symon, Thomas & Hilliard, New York—pet care products, creative only—James W. Thomas, mgmt super.

Vos & White, New York—Blair div, Anna Elizabeth Wade & Kenneth div.

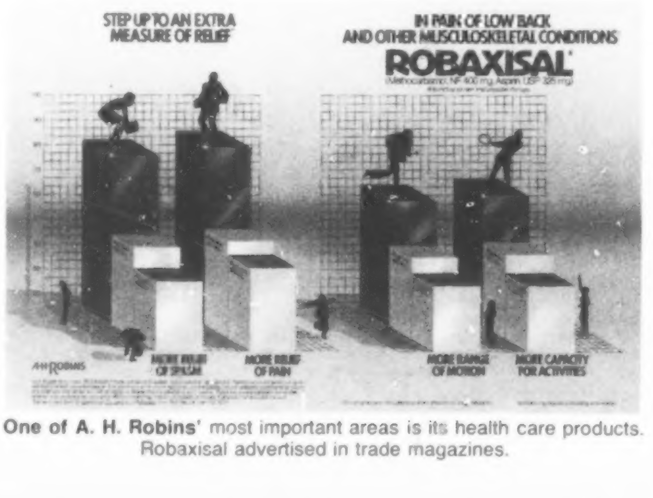
Arnold Hinton & Hoff, Schaumburg, Ill.—VioBin Corp.

Mil-Mor Advertising (in-house)—Sergeant's pet care products, Chap Stick lip balm, Lip Quencher, Face Quencher, Skin Quencher, media in all products—James K. Willis, vp-genl mgr; Michael Maxwell, media director.

Woltz & Associates, Richmond—various corporate & product assignments.

David Popofsky Advertising, New York—various corporate and product assignments.

James Jordan Inc., New York—health & beauty aids, cosmetics, creative only—James Jordan; Phil Voss Jr.


STEP UP TO AN EXTRA MEASURE OF RELIEF
IN PAIN OF LOW BACK AND OTHER MUSCULOSKELETAL CONDITIONS
ROBAXISAL
MORE RELIEF OF SPASM
MORE RELIEF OF PAIN
MORE RANGE OF MOTION
MORE CAPACITY FOR ACTIVITIES
AH ROBINS

One of A. H. Robins' most important areas is its health care products. Robaxisal advertised in trade magazines.

Schering-Plough Corp.

	1978	1977
Sales	$1,082,493,000	$940,859,000
Earnings	193,629,000	166,652,000
Advertising*	68,000,000	63,000,000

*Estimated by AA

Schering-Plough Corp., Kenilworth, N.J., the 59th largest national advertiser, increased its national advertising investment to an estimated $68,000,000 in 1978, up about 8% over 1977.

Sales topped $1 billion for the first time, and the company also chalked up record earnings of $193,629,000.

Ethical pharmaceuticals continued as the mainstay of the company, contributing $690,000,000 in sales revenues; consumer products added $292,000,000, and home products $67,000,000.

Despite the importance of ethical pharmaceuticals to the company's balance sheet, the consumer products division easily gets the bulk of Schering-Plough's advertising expenditures.

- By far the company's most heavily advertised product line is Maybelline cosmetics, which garnered more than 40% of the measured ad investment in 1978 ($22,635,700 of $52,000,000). Most heavily advertised within this line were Mabelline mascara ($6,635,000); Maybelline eye makeup ($5,600,000); Maybelline lipstick ($2,955,000); and Fresh & Lovely Lipstick ($2,600,000).

Among the new products contributing to a significant sales gain for the line were Maybelline eye and lip Styler Pencils.

Introduced in 1978 were Maybelline Kissing Sticks, flavored, fruit-scented lip glosses aimed at the teen market. A $70,000 "scratch 'n sniff" campaign in magazines introduced the line to young readers.

Maybelline Nail color completed its first year of national distribution, backed by $2,550,000 in advertising. A tv commercial depicted a table tennis ball, coated with Maybelline nail color, being struck repeatedly without scratching or chipping.

The Coppertone line of sun care preparations strengthened its market position, backed by more than $3,000,000 in ad spending. Among the line's newer products are Super Shade, which offers maximum protection from the ultraviolet rays of the sun, and SunGer, promoted to active outdoor people.

- A disappointment to the company, however, is the Di-Gel antacid line which still has not met sales expectations—Schering-Plough is aiming for a 10% market share.

As part of the effort to increase market penetration, Schering-Plough is testing a new roll package for Di-Gel in several U.S. cities. In pilot studies are an enlarged Di-Gel tablet and a creamier formulation. Di-Gel was backed by nearly $5,000,000 in advertising in 1978.

Correctol and Feen-a-Mint boosted the company into a leading position in the proprietary laxatives market in 1978. Together the two lines received more than $3,000,000 in measured ad backing.

Duration nasal spray and nose drops, backed by $5,000,000 in advertising, were supplemented with a new menthol formulation.

Aggressive marketing programs, an expanding sales force and new and improved products were cited as major contributing factors to the more than 15% sales gain in prescription and over-the-counter products.

- The discovery and development of new pharmaceutical products continues to be of prime importance to the company. To this end, the company has an extensive research program, to the tune of some $65,000,000 spent on research and development in 1978.

Nearly 30% of the company's 1978 ethical pharmaceutical sales came from products introduced since 1970. Schering-Plough's research ability is rated among the best, and the company has been unusually successful in converting prescription drugs to over-the-counter status.

Unmeasured forms of promotion are important in the ethical pharmaceutical area. Schering-Plough allocates more than a fifth of its total ad budget to unmeasured media, including business and professional publications, point of sale, premiums, direct mail and so forth.

Schering-Plough's Garamycin antibiotic is considered the tops in its field and ranks among the top five drugs over-all in sales, with annual sales estimated at $240,000,000.

Although the Garamycin patent runs out in 1980, the company has on deck Netromycin, an injectable antibiotic. Lab tests indicate that it is highly effective against organisms resistant to other antibiotics and with a greater safety margin than other aminoglycosides, including Garamycin.

- In 1978, the company introduced a cream form of its Gyne-Lotrimin, a drug that treats vaginal infections. Lotrimin itself became the most widely prescribed topical product for the treatment of fungal skin diseases.

Also in the dermatological area, Valisone, a topical anti-inflammatory steroid, continued as the market leader in 1978, while Diprosone, a companion product, also grew in sales. The Fulvicin line of antifungals increased in market share.

In September, the company introduced Afrinol, a long-acting decongestant, into the U.S., while Drixoral, a long-acting antihistamine-decongestant became the leading oral decongestant tablet prescription product in the U.S. last year.

In the over-the-counter area, which also posted substantial sales increases for Schering-Plough, a mentholated form of Afrin decongestant nasal spray was introduced.

- Home products, marketed through the DAP division, grew 9% in 1978, aided by the introduction of several new products. Total measured ad spending for DAP and Derusto products totaled just over $1,000,000.

New product introductions included a line of colored acrylic latex caulk, available in six hues. The division also introduced a latex cement patching compound.

In 1979, the division plans to introduce a latex wood filler, interior wiping stains for wood, Pacer panel and dry wall adhesive, and several furniture care products.

The company's fm radio stations reported substantial gains in listening audience and advertising revenues. At the end of 1978, sale of Boston stations WACQ (am) and WTTK (fm) to GCC Communications was approved by the Federal Communications Commission.

■ The company also had an active year on the acquisition front. In November, Schering-Plough purchased Emko Co., St. Louis, manufacturer of contraceptive foams and personal hygiene products. Its contraceptive products were backed by about $400,000 in measured media in 1978.

Also, in April, 1979, Scholl Inc. (spending $4,330,000 in advertising in 1978) was merged into Schering-Plough. Later that month, the company acquired Burns Biotec, the animal health unit of Chromally American Corp. which markets vaccines and pharmaceuticals to veterinarians.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 281,800	$ 1,291,400
Magazines	9,523,100	9,222,700
Farm publications	264,400	193,300
Spot tv	8,146,700	6,631,200
Network tv	28,488,300	26,176,400
Spot radio	1,316,100	754,000
Network radio	2,953,200	2,723,700
Outdoor	1,683,000	1,625,500
Total measured	52,656,600	48,618,200
Unmeasured	15,343,400	14,381,800
Estimated total	68,000,000	63,000,000

PLOUGH ADVERTISING

(LAKE-SPIRO-SHURMAN ADVERTISING AGENCY)

H. K. McIntyre, president
Arron Spiro Jr., exec vp
Gene Camerik, vp, spot broadcast
Ted Kingsford, vp-mktg services
Ken West, mgr, calendar
William W. Apperson, director, graphic services
Leita Thompson, mgr, broadcast operations
Mildred Ross, mgr, print production
Lynn Sanders, vp, print media

PLOUGH PRODUCTS

MARKETING PERSONNEL

Harry B. Solmson III, vp, genl mgr
Russ Elliott, vp, adv
Richard Briscoe, vp, mktg/planning
Frank Craig, vp, mktg-summer products
Pat McGhee, Don Anderson, Jerry Simmons, mktg directors
Bill Stratton, Frank Suddoth, Jim Roudebush, Nancy Mingo, Roger Corby, group product mgrs
June Davidson, Ernest Hilliard, JoAnne Livingston, Joe Edmondson, Ron Kroto, Mike Cortwright, product mgrs

Sales

Don Ramier, vp, sales
Will Case, vp, director of field sales
Dave Wells, vp, sales admin
Bob Baldridge, vp, distribution analysis
Norm Kercher, vp, mktg services
Jim McIntyre, vp, natl accts director
Charles Naff, vp, central area
Paul Mazzola, vp, north central area
Mike Swider, vp, northeastern area
Ken Benderman, vp, southeastern area
George Todd, vp, western area

MAYBELLINE COSMETICS

MARKETING PERSONNEL

David Brittain, vp, genl mgr
Terry Augenbraun, vp, mktg-eyes & nails
Gary Malloy, director, mktg-face
Roz Daiboch, director, product devel-eyes

Sales

Hank Pellegrin, vp, sales
A. J. Hughes, vp, chain variety
Robert Taber, vp, direct sales
John Byers, vp, regional mgr-central
Jim Burton, vp, regional mgr-southern
Rick Rogers, vp, regional mgr-eastern
Heard Murphy, vp, regional mgr-western

DAP INC.

MARKETING PERSONNEL

Paul Davis, president
Richard Momsen, exec vp
John Harper, vp/adv & pr

ADVERTISING AGENCIES

Lake-Spiro-Shurman, Memphis—all Plough and Maybelline media placement in the U.S.

Griswold-Eshleman, Cincinnati—DAP home products div—Norman E. Van Zant, acct super.

Warwick Welch & Miller, New York—DiGel, St. Joseph products, Feen-a-Mint, Duration, Sardo, Artra, Sulfer-8 line, Black & White line, Coppertone products, QT products, Correctol laxative, Mexsana medicated powder, Aspergum, Sudden Tan bronzing foam and lotion—Ken Price, mgmt super; W. Manley, Tom Fucigna, Kyle Felt, acct supers; Donn Dolan, acct exec.

Ted Bates & Co., New York—Maybelline eye cosmetics and nail enamel.

The Marschalk Co., New York—Maybelline facial cosmetics.

Foote, Cone & Belding, New York—Solarcaine, Aftate, Tropical Blend and others.

Chapman, Troast & Warwick, Sacramento, Cal—Sun Ger.

SCHERING LABORATORIES SCHERING DIVISION

MARKETING PERSONNEL

Robert H[illegible]son, vp, genl mgr
H. Steven Schneider, vp, mktg
G. F. T. Grimaldi, vp, sales
Mitchell Chadrjian, staff vp, industry & govt activities
Dr. J. Baldini, director, professional services
Robert Rauf, director, adv/sales promo
James Mongiardo, director, otc products
Harvey Weintraub, direct, Rx products
Arnold Burstein, director, mktg services
Daniel Tousman, director, business devel

ADVERTISING AGENCIES

Medicus Communications, subsidiary of Benton & Bowles, New York—prescription products & professional promo of otc products—Lawrence J. Lesser, president; Jay Cohen, senior vp, client services; Raleigh Hanbury, vp; Jerry Mars, Paul Schneider, acct execs.

Wesson & Warhaftig, New York—prescription products—Howard Wesson, president, ceo; Donald P. O'Neill, senior vp, director of client services; Robert Beckman, acct super; Steve Spittel, acct exec.

Ketchum, MacLeod & Grove, New York—trade promo, all otc products—Hank Wasiak, president; Walter Kaprielian, exec vp, genl mgr; Paul Abrams, senior vp, acct mgr; Mike Jablons, acct super.

Jos. Schlitz Brewing Co.

	1978	1977
Sales	$1,083,272,000	$1,134,079,000
Earnings	11,961,000	19,765,000
Advertising	58,213,000	55,080,000

Jos. Schlitz Brewing Co., Milwaukee, the nation's 68th largest advertiser, increased its advertising budget by 5% in 1978, to a total of $58,213,000.

The slight increase in media support came in what added up to be another rough year for Schlitz in terms of sales, earnings and barrelage. Sales fell 4.5% to $1.08 billion while earnings declined 40%, to $11,961,000 from $19,765,000.

Schlitz's barrelage was 19,580,000 bbls., an 11.5% drop from the 22,130,000 bbls. sold in '77. Now No. 3 in the beer industry rankings, Schlitz had an estimated 11.8% share of the market in '78, trailing behind No. 2 Miller Brewing with its 18.8% piece of the pie. Anheuser-Busch remained No. 1.

■ Although the figures add up to a less than brilliant horizon, Schlitz clouds have been clearing and the company has been hard at it making its way on the road to recovery.

In the first quarter of 1979, sales were $243,000,000, compared with the $231,000,000 rung up a year prior. However, volume declined 6% to 4,200,000 bbls. and, according to the company, wholesaler sales persisted well below company expectations.

The past year was the first full year for the revamped Schlitz marketing machine under the command of Allin Proudfoot, exec vp-marketing. And with all the screws, bolts and wheels in place, the brewery sped along, introducing new products, reformulating and repacking vintage brews, and breaking new campaigns for all the brands in Schlitz's stable.

Schlitz markets four national brands: Schlitz, Old Milwaukee, Schlitz Light and Schlitz Malt Liquor.

■ The brewery's biggest seller is Schlitz—as in "beer makes it good. Schlitz makes it great"—the brand's new ad slogan. Via agency J. Walter Thompson Co., the company upped its spending for Schlitz to $22,812,900 from the $16,346,000 it spent in '77.

The spot tv expenditure, however, dropped to $1,252,700. Magazine buys fell substantially, to $28,100 from $700,000. Schlitz spent $12,700 for outdoor ads.

Old Milwaukee received $3,639,100 in ad spending—all for network tv. The brand got $5,924,800 in media support the year before. In '78, Old Milwaukee lost its old agency of Cunningham & Walsh and picked up a new shop, BBDO, and a new campaign featuring famous locations related to Milwaukee.

Schlitz Light was reformulated in '78 into a "natural light pilsner" brew and was repackaged in a tapered bottle with jazzier graphics.

With Della Famina, Travisano & Partners doing the creative, "macho man" James Coburn was bumped for a bevy of stars (*i.e.*, George Burns, Jack Klugman, Zsa Zsa Gabor and Carol Wayne) touting Schlitz Light as the brew "where less adds up to more."

Ad spending for the reduced-calories beer in the six media measured declined to $8,027,200 from the $12,545,500 spent in '77. More than $7,360,000 went into network tv.

■ Rounding out the quartet of national brews, Schlitz Malt liquor hiked its measured ad spending to $5,825,700 from $3,177,000 in 1977. The brand, under the creative direction of Benton & Bowles, picked up a new campaign theme-line: "Maybe the best-tasting beer in America isn't a beer. Taste a Bull."

Schlitz also has come up with a superpremium entry, called Erlanger and touted as "an uncommonly good beer. The absolute finest we brew." The top-of-the-line entry is in test in Denver, Hartford, Phoenix, Providence and San Diego. J. Walter Thompson Co., Chicago, is handling.

Schlitz has also added Ramlosa, the mineral water said to be drunk by the King of Sweden and the Queen of Denmark.

The product was originally assigned to Benton & Bowles, New York, but pleading a conflict with another client, General Foods, B&B resigned and Della Femina picked up the bubbling waters.

■ While the men in marketing were working on putting new life in old brews and introducing new brands, the corporate lawyers were feverishly clearing up Schlitz' quagmire of legal hassles.

The 747-count indictment handed down by a federal grand jury, charging Schlitz with violations of the Federal Alcohol Administration Act, was dismissed after Schlitz agreed to a $750,000 administrative settlement. The company also pleaded *nolo contendere* to two misdemeanors and paid an $11,000,000 fine.

With that resolved, smaller legal problems continued to crop up. For instance, over the past year, two defunct brewers, Peter Hand Co. and Canadian Ace Brewing, filed suits against Schlitz alleging violations of federal antitrust laws. Peter Hand asked for $15,000,000 in damages; Canadian Ace filed for $45,000,000 in trebled damages and $500,000 in certain consequential damages.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$664,900	$1,141,500
Magazines	73,900	731,100
Spot tv	8,387,100	6,196,500
Network tv	32,235,700	33,847,100
Spot radio	3,315,000	1,955,000
Outdoor	66,500	57,680
Total measured	44,743,100	43,928,800
Unmeasured	13,469,300	11,151,200
Estimated total	58,213,000	55,080,000

Coleman CHARGER SP

SAMPLE SPECIAL $36.95

Just clip this ad and attach it to your letterhead along with your check.

Charger SP

Charge 'em up . . . with rechargeable *sealed power.*

People go for this *better* concept in electric lanterns . . . with sealed power, just like the new generation of automotive batteries. Virtually maintenance free. Works from own battery, also charges and operates from 12V car system and 110V current. One of over 100 ideas from Coleman. And count on Coleman for support, from professional premium counselors to individual drop shipments. Let's talk about ways to brighten *your* program.

Ms. Jean Hodges
The Coleman Company, Inc.
250 North St. Francis
Wichita, KS 67201
316/261-3167

Coleman

MARKETING PROFILES

MARKETING PERSONNEL

Allin W. Proudfoot, exec vp, mktg
Robert A. Rechholtz, vp, brand mgmt
Edwin J. Werner, vp, sales
Thomas R. Errath, group brand director
John Paul Jones, Schlitz brand director
Thomas H. Schwalm, associate brand director
George W. Conway, asst brand director
Mark Stankovic, mktg asst
Gary M. Truitt, associate brand director
Michael C. Jaeger, asst brand director
Robert Conners, Schlitz Light brand director
Gary T. Naifeh, asst brand director
James R. Remitz, Old Milwaukee/Primo brand director
Charles E. Powell, associate brand director
Michael C. Meyers, mktg asst
William H. Melton, director, mktg devel
Raymond D. Shannon, Ramlosa brand director
John W. Watson, Erlanger brand director
Lee W. Kordus, mgr, brand devel
Kathryn E. Kloppenburg, asst mgr, brand devel
Thomas C. Godwin, mgr, brand devel
Barry J. Podber, director, mktg services
William J. Henke, director, merch & sales promo
William G. Moomey, director, creative services
Kurt M. Weil, mgr, media services
Joseph A. Ciszewski, mgr, package design & devel
Robert W. Joanis, director, mktg rsch
Richard M. Farmer, mgr, product rsch
Wayne R. Casper mgr, adv rsch
Randolp A. Meidl, mgr, sales analysis & operations rsch
James Carroll, mgr, new product rsch
Timothy J. Donohue, director mktg admin
Robert F. Branston, mgr, mktg budgts
Dick R. McMahon, mgr, mktg systems
Jerome H. Boknevitz, mgr, pricing
Catherine L. Schmidt, mgr, admin

ADVERTISING AGENCIES

J. Walter Thompson Co., Chicago—Schlitz—Jack Tukey, senior vp; Ben Gilmore, senior vp; Dean Proctor, vp-acct super.

Benton & Bowles, New York—Schlitz Malt Liquor—John Fenton, senior vp, mgmt super; Ron Campbell, vp, acct super.

Della Femina, Travisano & Partners, New York—Schlitz Light, Ramlosa—Steve Tart, senior vp, mgmt super; Jim Clark, acct super.

BBDO, New York—Old Milwaukee—John Dunning, vp-mgmt super; John Moreton, acct exec; Macey Jones, acct super.

Scott Paper Co.

	1978	1977
Sales	$1,724,897,000	$1,520,226,000
Earnings	93,560,000	62,110,000
Advertising	33,274,000	25,502,000

Scott Paper Co., Philadelphia, the 94th largest national advertiser, increased its advertising 30% in 1978 to $33,274,000.

It was a year that saw sales reach a new high, as earnings increased by 50%, bouncing back from the 15% decline of 1977. Scott attributed the gain in earnings to improved selling prices, sales volume and international affiliate earnings.

The packaged products division accounted for sales of $1,166,559,000, approximately two-thirds of the Scott total. This was an increase of $117,015,000 over 1977.

Major advertised brands were Viva paper towels ($6,135,300 in measured spending), ScotTowels $5,251,400, Cottonelle bathroom tissue ($3,744,400), Soft 'n' Pretty bathroom tissue ($3,387,500), Job Squad paper towels($2,311,600), ScotTissue toilet tissue ($1,167,200) and Baby Fresh Wipes ($943,300).

■ Cottonelle distribution was extended into all northeastern markets during 1978, as Soft 'n' Pretty continued its national rollout. A portable package of Baby Fresh Wipes was introduced nationally during the year. A new version of heavy-duty Job Squad entered southern markets, making it available to 31% of the U.S. population. Get Fresh moist clothettes were being tested in Indianapolis and the Quad Cities ($127,200 in measured spending) and Footman disposable mats were tested in Fort Wayne. GraphWyp, a new wiper product for the graphic arts industry and an offspring of the successful WypALL brand, was introduced during 1978.

Actor Peter Falk was used as a Scott spokesman for paper towels in business press advertising. Mr. Falk's "Columbo" image was deemed appropriate to counter the low-price claims of rivals. The estimated $250,000 campaign was aimed at purchasing agents.

The various Scott brands have more than 40% of the $750,000,000-plus paper towel market; P&G's Bounty alone has about 22%.

The S.D. Warren printing paper division, Scott's second largest unit, had sales of $419,954,000, up 9%, while earnings soared 114%; the unit was the beneficiary of the large increase in demand for printed advertising and direct mail materials. A new grade of coated printing paper, Warrenflo Gloss, was introduced for catalogs, brochures and special interest magazines.

The Brown Jordan division posted record sales and earnings and acquired the Eagle Mfg. Co., a West Coast producer of indoor residential fixtures. Cricket, a new folding furniture design, was introduced in November and new rattan lines introduced included the Rausch collection.

The foam division's earnings improved in 1978 as sales of its polyurethane foam for the carpet cushion market rose substantially. The division's more traditional product lines, including foam for sound absorption and filtration, increased modestly.

Earnings from Scott's international affiliates hit a record $25,000,000, up 67% from 1977. Sales of Japan's Sanyo/Scott rose 18%.

Other Scott foreign affiliates include Bowater-Scott in Great Britain, Burgo-Scott in Italy, Scott Paper Philippines, Thai Scott, Taiwan Scott and affiliates in Belgium, France, Spain, Australia, Mexico, Brazil, Colombia, Costa Rica and Canada.

Morgan V. Hunter, former president of R.J. Reynolds Tobacco, assumed the Scott presidency in May, replacing board chairman C.D. Dickey Jr.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,583,600	$1,561,400
Magazines	684,500	458,700
Spot tv	17,845,300	13,527,300
Network tv	4,785,800	4,391,900
Spot radio	429,200	295,000
Outdoor	131,200	42,600
Total measured	26,459,600	20,276,900
Unmeasured	6,814,400	5,225,100
Estimated total	33,274,000	25,502,000

PACKAGED PRODUCTS DIVISION

MARKETING PERSONNEL

J.R. Leaman Jr., senior vp
D.T. Carey, vp-consumer mktg & devel
C.H. Bridges, div vp-consumer products sales
J.E. Calvert, div vp-commercial products sales
G.E. Wilcox, div vp-sales devel
R.H. Sterrett, div vp, sales-East
D.B. Cavellier, div vp, sales-Central
L.B. Griffith, div vp, sales-South
T.H. Redfield, div vp, sales-West

S.D. WARREN DIVISION

MARKETING PERSONNEL

C.W. Schmidt, president
R.W. McAvoy, vp-sales & mktg
J.H. Frick Jr., vp-printing & publishing div
J.W. Hefferman, vp-converting div
B.E. Barnes, vp-specialties div

FOAM DIVISION

MARKETING PERSONNEL

R.E. Welsh, div vp
R.B. Kraus, natl sales & mktg mgr
R.A. Padula, senior mktg mgr
A.K. Simpson, natl sales mgr

ADVERTISING AGENCIES

J. Walter Thompson Co., New York—ScotTowels, ScotTissues, Baby Fresh Wipes, Job Squad—J. Morrissey, group acct director; R. Rissmeyer, mgmt super.

Batten, Barton, Durstine & Osborn, New York—Viva towels, Cottonelle, Soft 'n' Pretty—W.G. Weigold, mgmt super.

Ketchum, MacLeod & Grove, Pittsburgh—Scott printing and converting papers.

Humphrey Browning MacDougall, Boston—S.D. Warren Co. printing, publishing and release papers—D. Carter, acct super.

Brown, Keefe, Marine-Bowes, Los Angeles—Brown Jordan Co.—J. Keefe, acct super. Warren graphics specialties—R. Greig, acct exec.

Connecticut Catalog Service, West Hartford—Scott Graphics—R.M. O'Connor.

Aitkin-Kynett, Philadelphia—industrial foams—H.R. Blynn, vp.

Mel Richman Inc., Bala-Cynwyd, Pa.—commercial packaged paper products.

Schaefer Advertising, Valley Forge, Pa.—commercial packaged paper products.

W.B. Doner & Co., Baltimore—new product devel.

DISCOVER THE MAGNIFICENT BULL IN A CLASSIC BOTTLE.
SCHLITZ MALT LIQUOR
SCHLITZ MALT LIQUOR. DON'T SAY BEER. SAY BULL!

Schlitz Malt Liquor picked up a new theme: "Maybe the best-tasting beer in America isn't a beer. Taste a Bull."

Seagram Co. Ltd.

	1978	1977
Sales‡	$2,272,584,000	$2,184,263,000
Earnings‡	93,029,000	85,540,000
Advertising	120,000,000	78,000,000

‡Worldwide; 1978 fiscal year ended July 31, 1978
*Estimated by AA

Joseph E. Seagram & Sons, New York, subsidiary of the Seagram Co. Ltd., Montreal, was the 32nd largest national advertiser in 1978, spending $120,000,000 on advertising, up about 54% over 1977.

While world sales for Seagram Co. Ltd. in 1978 rose 4% over the previous year, income was up 8.8%.

Operating income for the spirits and wine division increased 13% to $189,985,000 in 1978 from $167,687,000 in 1977. Oil and gas operating income showed a 1.5% loss to $55,908,000 in 1978 from $56,755,000 the previous year.

■ There were two major moves at Seagram in 1978. The first involved a decision to markedly raise ad spending, primarily in magazines. The new money went to promote Seagram's major brands in an attempt at increasing brand awareness and halting eroding sales. Measured magazine spending jumped 155.6% to $69,160,400 in 1978 from $27,051,300 the previous year, according to Leading National Advertisers.

Seagram's second major move for the year was the purchase of Glenlivet Distillers Ltd. of Scotland. Seagram said the acquisition "nearly trebled the malt whisky distillation capacity of the company."

Glenlivet produces The Glenlivet, a 12-year-old single malt scotch; Glen Grant, a single malt scotch, and Something Special and Queen Ann, both blended scotches.

In 1978, the company also reorganized its American operation to form House of Seagram, a marketing division headed by Frank S. Berger, formerly president of Seagram Distillers Co. Mr. Berger resigned in April, 1979, saying that he wanted to work for a company he owned. He was succeeded by William M. Wilbur, previously exec vp-marketing.

According to *Business Week's* annual ranking of the nation's leading liquor brands, Seagram's 7 Crown whisky held on to its spot at the top of the list, but it had to share first place honors with Bacardi rum.

Both brands sold 6,200,000 cases, a drop of 1.6% for Seagram 7 Crown from the previous year's 6,300,000 cases.

Seagram's 7 was backed by $8,647,500 in magazines and $949,800 in newspaper supplements, according to LNA figures. An additional $2,325,700 was spent on a joint promotion between Seagram's 7 and 7UP soft drink.

Seagram's V.O. Canadian whisky, in the No. 4 position, increased sales to 3,875,000 cases in 1978, a 2.6% jump over 3,775,000 the previous year. Seagram's V.O. ad totals: $11,900,400 in magazines, $245,400 in newspaper supplements, $107,600 in outdoor and $817,700 in magazines for a special mail order promotion.

Seagram's gin moved to the No. 10 slot on *Business Week's* 1978 list from the No. 13 slot a year earlier. Seagram's gin sold 2,350,000 cases, up 14.6% from 2,050,000 in 1977. Ad spending behind the gin was $3,222,800, almost all of it in magazines. An additional $940,800 in magazines went to a joint promotion between Seagram's gin and Schweppes U.S.A. bitter lemon to promote a drink called the Wimbledon Whistle.

Kessler whisky dropped to the No. 19 position among all brands, from No. 16 in 1977. It sold 1,725,000 cases in 1978, 4.2% fewer than the 1,800,000 sold in 1977. Kessler ad spending included $982,200 in magazines and $1,025,100 in outdoor.

Additional Seagram brands on the 1978 list were: No. 25, Calvert Extra blended whisky, 1,475,000 cases, down 7.8%; No. 29, Wolfschmidt vodka, 1,175,000 cases, down 4.1%; No. 36, Chivas Regal scotch, 1,050,000 cases, up 5%; No. 38, Lord Calvert Canadian whisky, 1,000,000 cases, up 8.1%; No. 39, Crown Russe vodka, 875,000 cases, down 7.9%; No. 45, Ronrico rum, 675,000 cases, up 12.5%; sharing No. 53, Nikolai vodka, 550,000 cases, down 8.3%, and Crown Royal Canadian whisky, 550,000 cases, up 10%, and No. 63, Passport scotch, 500,000 cases, down 13%.

Backed by more than $1,000,000 in ad support were: Calvert Extra blended whisky ($2,045,900); Chivas Regal scotch ($6,012,800); Christian Brothers brandy ($1,354,900); Gold Seal wines ($1,462,700); Lord Calvert Canadian whisky ($5,179,900); Myer's Jamaican rum ($1,092,300); Passport scotch whisky ($1,740,200); Seagram's Benchmark bourbon ($2,167,200); Seagram's Crown Royal whisky ($7,238,400); Sir Robert Burnett's gin ($1,452,200); White Horse scotch whisky ($1,047,800), and Wolfschmidt vodka ($5,322,500).

■ Supported by more than $400,000, but under $1,000,000 in ad spending were: Boodles British gin ($637,600); Christian Brothers wines ($755,700); Crown Russe vodka ($471,100); Eagle Rare bourbon ($409,100); Glenlivet scotch whisky ($808,600); Jameson Irish whisky ($631,400); Leroux cordials and liqueurs ($827,000) and Vandermint liqueur ($435,700).

Also this year, Seagram Distillers Co. introduced Famous Grouse scotch, imported from Scotland, into American markets. It is being priced below premium scotch brands, but above standard brands.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$8,031,600	$7,027,200
Magazines	69,160,400	27,051,300
Spot tv	3,640,900	1,192,400
Network tv	3,464,100	——
Spot radio	135,500	28,000
Outdoor	5,644,500	8,563,300
Total measured	90,077,000	43,862,200
Unmeasured	29,923,000	34,137,800
Estimated total	120,000,000	78,000,000

JOS. E. SEAGRAM & SONS

MARKETING PERSONNEL

Philip E. Beekman, president

HOUSE OF SEAGRAM

MARKETING PERSONNEL

William M. Wilbur, president
Lionel W. Greer, exec vp-sales
Edward Cohen, vp-planning
Robert W. Beller, vp-mktg services
Bernard Stolbof, director-corporate media services
Andrew C. Zipprich, group media mgr
Duncan Maurer, group media mgr
Lawrence J. Weiss, vp-natl acct sales

SEAGRAM DISTILLERS CO.

MARKETING PERSONNEL

Walter M. Haimann, president
C. Richard Coffey, exec vp-sales
Joel D. Weiner, exec vp-mktg
Bernard Derringer, vp-mktg services
Victor Samaha, vp-director of administration
John E. Ruddy, vp-director of mktg
Alexander Formisano, vp-director of mktg
Vincent Partridge, natl product mgr, Seagram's 7 Crown
Thomas McInerney, natl product mgr, Seagram's V.O.
Bernadette Moran, natl product mgr, Wolfschmidt vodka
Richard McCarthy, natl product mgr, Seagram's Crown Royal
Charles A. Chapel, natl product mgr, Famous Grouse scotch
Knud Smal, natl product mgr, Benchmark bourbon
John Reese, natl product mgr, James Foxe Canadian
Jerold West, natl product mgr, Myer's rum
Andrew Harman, natl product mgr, Seagram's gin
Michael Gianakos, natl product mgr, The Glenlivet scotch
Arthur Getz, Alfred C. Lubin, natl sales promo mgrs
Connie Wiener, natl adv mgr
Charles Garver, mktg communications mgr

ADVERTISING AGENCIES

Warwick, Welsh & Miller, New York—Seagram's 7 Crown, Crown Royal, Seagram's V.O., Seagram's Extra Dry gin, Benchmark bourbon, The Glenlivet scotch, Famous Grouse scotch, Seagram's institutional adv—John F. Welsh, mgmt super; James Driscoll, senior vp-mktg & adv planning; Michael Graham, Howard Hersh, Kenneth Sammon, William Surtees, Leigh Schmalz, acct supers; Steve Vail, Leon Henson, Gary Olsen, Denise Keyes, Nancy Heberlein, Ruth Abel, acct execs.

William Esty Co., New York—Wolfschmidt vodka, Myer's rum, James Foxe Canadian—Len Faupel, senior vp-acct super; Stan Joyce, acct super; Kevin Macdougall, Peter Berry, Steve Molloy, acct execs.

CALVERT DISTILLERS CO.

MARKETING PERSONNEL

Marty H. Bart, president
Sheldon Katz, exec vp-sales
Richard Bond, vp-mkt planning
Jules Erwin, mktg communications mgr
David Newsman, Robert Monroe, vps-directors of mktg
James Spillane, asst to the president
David L. Grossman, director of mktg analysis
William Smith, natl product mgr, Calvert gin, Crown Russe vodka
Robert Schwolsky, natl mgr, Party Tyme
Jeff Gollin, natl product mgr, Passport scotch, Party Tyme products
Fred Ronai, natl product mgr, Calvert Extra
Frederick Rothstein, natl product mgr, Burnett's gin, Lord Calvert Canadian
Martin Atlas, natl product mgr, Jameson Irish whisky, Canadian Masterpiece
Rodger DeSarno, natl product mgr, White Horse scotch, Logan Deluxe scotch, Henry McKenna bourbon
Marvin Steinhardt, Harold Prigge, group sales promo mgrs

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Calvert Extra, Lord Calvert Canadian, Calvert gin, Canadian Masterpiece, Crown Russe vodka, Passport scotch, Henry McKenna bourbon, John Jameson Irish whisky, Party Tyme products—Martin Kreston, group senior vp; Stephen Donenfeld, vp-mgmt super; Stanley Burger, Charles Rollins, vps-acct supers; John Campbell, acct super; Jefferey Ehrhardt, Jonathan Whittemore, acct execs.

William Esty Co., New York—White Horse scotch, Burnett's gin, Logan Deluxe scotch—Leonard Faupel, senior vp-mgmt super; Carlo Demetrio, vp-acct super; Patricia Oehler, acct exec.

Warwick, Welsh & Miller, New York—Kessler whisky—John F. Welsh, vice-chairman; James Driscoll, senior vp-mgmt super; Joseph Friel Jr., vp-acct super; Leo Spellman, acct exec.

Russell, Harris, Linder, New York—Hudson's Bay Canadian, Hudson's Bay scotch, Tuaca liqueur—Ed Russel, president; Sidney Shane, media director; Patricia Kelly, senior media planner & buyer.

GENERAL WINE & SPIRITS CO.

MARKETING PERSONNEL

Seymour L. Liekind, president
Gil Schy, exec vp-mktg
Gerald Friedman, exec vp-sales
Robert Vosswinkel, vp-admin
Mac Taub, vp-director of mktg
Mark Taxel, vp-director of mktg
Robert Watkins, product mgr, Chivas Regal scotch
Edward Gillen, senior product mgr, Leroux cordials, Leroux brandy
Anthony Bongiovanni, natl product mgr, Eagle Rare bourbon, Nikolai vodka
Angelo Vassalo, natl product mgr, Boodles gin
Richard Shaw, natl product mgr, Ronrico rum
Arthur L. Kayser, natl product mgr, Olmeca tequila, Harwood Canadian
Steve LaScala, Robert Dow, group sales promo mgrs
Patti Kaplan, natl adv mgr

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Chivas Regal, Royal Salute, Ronrico rum, Lochan Ora liqueur—Martin Kreston, group senior vp; Mike Marshall, vp-mgmt super; Joe Trombino, Herb Jacobs, vp-acct supers; Ann Davies, acct exec.

William Esty Co., New York—Leroux cordials, Leroux brandy—Len Faupel, mgmt super; Carlo Demetrio, acct super; Larry Sanford, acct exec.

Seagram Co. Ltd. continued to nurture the high-class image of its Chivas Regal scotch with unusual ads.

Russell, Harris, Linder, New York—Boodles gin, Nikolai vodka, Olmeca tequila, Sabra, Cheri-Suisse, Vandermint, Pasha liqueurs—Tom Manning, acct super.

Warwick, Welsh & Miller, New York—Eagle Rare bourbon, Harwood Canadian—John F. Welsh, mgmt super; Joseph Friel Jr., acct super.

BROWNE VINTNERS CO.

MARKETING PERSONNEL

Stanley Sheppard, president
Robert O'Dowd, exec vp-sales
Michael Moore, exec vp-mktg
Jay Flynn, group product mgr, Italian and German wines
Thomas Beach, group product mgr, Spanish, French & Danish wines

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Mumm champagnes, Barton & Guestier French wines, Nectarose French wine, Kijafa Danish wine, Julius Kayser German wines—Martin Kreston, group senior vp.

William Esty Co., New York—Ricasoli and Brolio Italian wines, Black Tower Liebfraumilch—Len Faupel, mgmt super.

CHATEAU & ESTATE WINES CO.

MARKETING PERSONNEL

Abdallah H. Simon, president
Kenneth L. Onish, exec vp-sales
Charles K. Frankel, vp-admin
Maurice Lartigan, vp-sales mgr, metro New York

ADVERTISING AGENCY

William Esty Co., New York—Chateau de La Chaize, Chateau Larose Trintaudon, Les Charmes White Burgundy, Perrier-Jouet champagnes—Leonard Faupel, mgmt super.

GOLD SEAL WINE CO.

MARKETING PERSONNEL

Paul Schlem, president
Max Braverman, vp-admin & special sales services

ADVERTISING AGENCY

William Esty Co., New York—Gold Seal and Henri Marchant champagnes and wines—Len Faupel, senior vp-mgmt super; Carlo Demetrio, acct super; Larry Sanford, acct exec.

FROMM & SICHEL

MARKETING PERSONNEL

Mel Chernev, president
Edward Schultz, exec vp-sales
Evan Hirsch, project mgr
Se Nireustein, vp-services

ADVERTISING AGENCY

Botsford Ketchum, San Francisco—Christian Brothers wines and brandies—Eugene Grealish, art super; Jackie Baker, acct exec.

PAUL MASSON VINEYARDS

MARKETING PERSONNEL

Elliott Fine, president
Edward J. Caan, exec vp-sales
Steve Kauffman, exec vp-mktg
Bern Ramey, vp-natl sales mgr, Estate wines
Jeffrey Heimbuck, group product mgr
Jon A. Fredrikson, exec vp-finance and admin
Jan Wells, vp-pr

ADVERTISING AGENCY

Doyle Dane Bernbach, Los Angeles—Paul Masson wines—Michael Candland, senior acct exec; Steve Price, acct exec.

SUMMIT SALES CO.

MARKETING PERSONNEL

Milton M. Steinberg, president
Thomas Collins, vp-admin & planning

Sears, Roebuck & Co.

	1978	1977
Sales	$17,946,000,000	$17,224,000,000
Earnings	922,000,000	838,000,000
Advertising	417,934,900	364,999,900*

***Revised**

Sears, Roebuck & Co., Chicago, the 2nd largest national advertiser, increased its national spending 14% in 1978, to $417,934,900, with 60% or $254,000,000 of that spent on catalogs and direct mail. Measured media for Sears and the Allstate Group increased 10.1% to $163,934,900.

AA's estimate does not include local retail advertising in newspapers, which last year increased 4.3% to $317,000,000.

Retail advertising, the catalog investment and national media expenditures for Sears and Allstate put the company's total 1978 ad outlay at about $725,000,000, an 8% increase over the revised 1977 total.

In its first year under new chairman Edward R. Telling, the company rang up sales of $17.9 billion, a flat 4.2% increase over fiscal 1977, with net income advancing 10% to $922,000,000. The Allstate Group, which brought in an additional $4.84 billion in premiums and financial services revenues, produced 51% or $466,000,000 of its parent's profits.

▪ Sales from unconsolidated international operations in Canada, Latin America and Europe totaled $2.8 billion, up 12% from 1977.

Sears, whose sales approximate 1% of the gross national product, got more than 6% of the total U.S. general merchandise business and about half of the total catalog business.

Last year, Sears' merchandise sales were 90% of net sales (down from 91.3%), including catalog counter sales in stores of 10.8% (down from 11.4%) and other catalog sales of 9.5% (up from 9.1%). Industrial sales, repair services and finance charge revenues represented 10% of net sales (up from 8.7%).

The catalog operations, from which Sears continued to derive more than a fifth of its sales, includes two large general "wish books" averaging 1,500 pages (Spring-Summer, Fall-Winter), three smaller ones (Christmas, mid-winter and summer); 16 specialty catalogs featuring particular lines of merchandise, and about 15 tabloid sales catalogs.

Last year, the company sent out 17,000,000 copies of each general catalog, and between 100,000 and 500,000 copies of each specialty and sale catalog, for a total of 375,000,000 catalogs—50,000,000 more than the company put out in 1977.

▪ Sears and its domestic subsidiaries employed an average of 472,000 people in 1978 and sold goods through 3,727 locations.

From 1974 until last year, Sears had wandered from high fashion merchandise lines to bargain basement sale merchandise, often simultaneously, as it tried to meet the high-end (J.C. Penney) and low-end (K mart) competition that it believed was threatening its turf. The company heavily advertised the merchandise, especially the sale-priced, resulting in steadily growing sales, but flat profits.

But, 1978 marked a turning point for the world's largest retailer as the company reformulated its long range marketing strategy in a move to firmly re-establish Sears as "a family store for middle-class, home-owning America." The "Headquarters Merchandising Plan 1979-1983," revealed in AA last December, spelled out what Sears should and should not be:

"We are not a fashion store. We are not a store for the whimsical nor the affluent. We are not a discounter, nor an avante-garde department store. We are not, by the standards of the trade press or any other group of bored observers, an exciting store.

"We are not a store that *anticipates*. We *reflect* the world of Middle America, and all of its desires and concerns and problems and faults. And we must all look on what we are, and pronounce it good! And seek to extend it. And not be swayed from it by the attraction of other markets, no matter how enticing they might be," the internal document said in its preamble.

▪ Long term, the plan set goals for each merchandising group and spelled out the means to accomplish these goals. Depending on the group, the plan calls for sales increases of between 71% and 95% by 1983 (over 1977 sales).

The plan also seeks to curtail dramatically run-away ad budgets by instituting an advertising-to-retail sales ratio and lowering that ratio each year. Specifically, Sears would reduce the ratio from 3.55% in 1978 to 3.29% in 1979 and then down to 3% by 1983.

According to projections for that year, Sears will spend $670,000,000 for retail sales of $22.3 billion, and $364,000,000 on catalog sales of $6.3 billion, for a total of $1.03 billion in advertising for the merchandise group.

For the short term, however, Sears began making moves in the fourth quarter to improve profits, but at the sacrifice of sales. It pulled its 10 to 24-page spreads in women's and shelter magazines that advertised Sears home furnishings—a segment that had been heavily promoted up till then. And magazines were almost devoid of Sears advertising in the first five months of 1979.

The result was sales shortfalls, but undoubtedly much more severe than had been anticipated. Through June of this year, the company has suffered 10 consecutive months of sales declines, some soaring higher than 10%. To stimulate sales—and comply with federal price guidelines—Sears cut all catalog prices 5% in this year's Spring-Summer catalog.

▪ However, the profit picture has brightened. In the fourth quarter, the company reported a record 31% increase in earnings, to $330,000,000, and in the first quarter of 1979, operating income from the merchandise group increased 25% to $217,601,000.

Sears, long the biggest retail advertiser, entered the national ad arena 22 years ago with small magazine expenditures. In fact, until 1967, the largest chunk of the Sears national media total was spent by Allstate, which last year accounted for about 11%, or $18,477,000 of the company's measured media expenditure—down from 12% in 1977.

Including Allstate, Sears last year increased magazine spending 35%, to $55,930,000, even though that schedule was heavily trimmed in the fourth quarter. The other measured media (except outdoor) dropped from their 1977 levels: Network tv down 11% to $71,367,500; spot tv down 4.5% to $21,091,200; network radio down 15% to $4,388,000, and spot radio down 27% to $11,000,000.

Among the most heavily backed product lines in network tv, spot tv and network radio, according to LNA figures, were automotive accessories, down 14% to $8,842,000; Open Hearth Collection, up 52% to $6,460,000; car tires, up 19% to $5,762,000; Settlers Trail Collection, up 330% to $5,643,000; paint, down 2% to $5,234,400; major appliances, down 6% to $4,719,000; men's apparel, up 8% to $4,295,700, and Renfrew Hall Collection, up 133% to $4,273,700.

▪ In addition, in 1978 there were 22 other product categories for which between $1,000,000 and $4,000,000 was spent in those three media by Sears.

In 1978, the company continued its war against excessive sex and violence in tv programing by pulling its commercials from several programs, including "Three's Company" and "Charlie's Angels."

And this year, the company began the "Sears Radio Theater," a series of 45-minute programs running weeknights on about 200 radio stations, most of them CBS affiliates. The investment was expected to significantly increase radio spending.

In 1978, Sears opened 31 new stores, including 14 full-line, 14 medium size and 3 hard line stores, bringing the totals to 367 full line, 373 medium size and 126 hard line stores. In addition, the company operates 14 catalog merchandise distribution warehouses, 92 retail distribution warehouses and 211 service and parts centers.

As part of its over-all strategy, Sears plans a $2 billion capital investment in new stores over the next five years. The company plans to open 106 full line, 106 medium size and 27 hard line stores, with 100 of the new stores to be built in new market areas and 139 of them replacing existing stores.

▪ Homart Development Co., a subsidiary, develops and operates shopping centers as either owner or a partner in joint ventures, thus putting Sears in business as a landlord.

In 1978, Homart opened two wholly owned regional shopping centers, and sold one, along with its interest in three joint ventures. The subsidiary's net income for 1978 rose 379% to $40,700,000. In the next five years, Homart plans to open 7 wholly owned and 16 point venture centers.

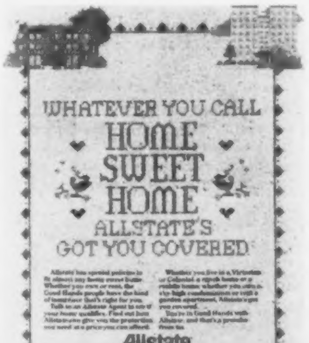
Of the company's 12,000 suppliers, Sears purchases about 24% of its merchandise from companies in which it has equity investments. Suppliers in which it has an interest of more than 20% are: DeSoto Inc. (31%), Kellwood Co. (22%), Roper Corp. (40%) and Universal-Rundle Corp (59%). Domestic suppliers account for about 94% of all merchandise purchases.

Allstate Insurance Co., world's largest stock company insurer of autos (State Farm is the largest among mutual companies), had a total ad budget of about $25,000,000 in 1978, up about 31% from 1977.

▪ That included direct mail, collateral, p.o.p. and advertising in the Sears catalogs in addition to measured media. Expenditures reported by Allstate were $15,400,000 in network tv and $725,000 in spot. Other spending came to $2,000,000 in magazines, $5,000 in newspapers and $775,000 in production costs.

Insurance premiums and financial services revenues for 1978 totaled $4.85 billion. However, this amount was abnormal because Allstate began converting its passenger auto insurance policies during 1978 from a 12-month term to a six-month term in most states.

On a basis comparable with 1977, insurance premiums written and financial services revenues would have come to about $5.31 billion, or a 12% increase from the $4.75 billion reported in 1977. Net income was $466,000,000, up 12% from $417,000,000.



Allstate advertising accounted for about 11% of Sears, Roebuck & Co.'s measured media total.

ADVERTISING EXPENDITURES*

	1978	1977
Magazines	$55,930,800	$41,344,700
Spot tv	21,091,200	22,072,200
Network tv	71,367,500	80,226,900
Network radio	4,388,300	5,143,400
Spot radio	11,000,000	—
Outdoor	157,000	86,900
Total measured	163,934,900	148,874,000
Unmeasured†	254,000,000	216,125,900#
Estimated total	417,934,900	364,999,900#

*From AA's usual sources
†Includes catalog
#Revised and includes spot radio

ADVERTISING EXPENDITURES**

	1978	1977
Newspapers	$317,000,000	$304,000,000
Magazines	42,000,000	35,000,000
Spot tv	14,000,000	19,000,000
Network tv	50,000,000	63,000,000
Spot radio	12,000,000	15,000,000
Network radio	8,000,000	9,000,000
Catalog	250,000,000	200,000,000
Direct mail	4,000,000	2,000,000
Estimated total	697,000,000	647,000,000

**Reported by Sears, local plus national media, excluding Allstate.

SEARS, ROEBUCK & CO.

MARKETING PERSONNEL

Joseph T. Moran, senior exec vp, merch
John B. Kelly Jr., vp for catalog sales
Gar Ingraham, vp, retail sales
Robert O. Jones, natl catalog adv mgr
Robert G. Kissel, natl retail adv mgr

ADVERTISING AGENCIES

Ogilvy & Mather, Chicago and New York—home appliances; vacuum cleaners; Junior Bazaar (NY); home fashions; credit, corporate—Bill Whitney, senior vp, genl mgr.

Foote, Cone & Belding, New York—women's shop; hosiery; foundations; jewelry; Pants That Fit, luggage—James R. Guthrie, vp, mgmt super.

Foote, Cone & Belding, Chicago—sports center, shoes, tires & batteries, toys—Will Adams, mgmt super.

Stern Walters/Earle Ludgin, Chicago—children's store, candy, contract sales—Bob Howard, client mgr.

J. Walter Thompson Co., Chicago—Craftsman Tools; table appliances; hardware lines; paints; central air conditioning—Brian Squires, mgmt super, client services.

McCann Erickson, Chicago—Men's Store—Bob Levin, acct super.

Vince Cullers Advertising, Chicago—research & mktg assignments, A.O.R., black media, advertising in black market—Vince Cullers, acct super.

ALLSTATE INSURANCE CO.

MARKETING PERSONNEL

C. J. Rodine, vp, mktg
D. L. Bolen, asst vp, adv/merch
John W. Dear, adv director
John J. Flieder, asst vp, direct response mktg
Frank S. Polizzi, direct response mktg dir

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Allstate Insurance Co., Allstate Life Insurance Co., Allstate Enterprises—Ron Sims, acct super; Jack Woods, acct exec.

Stone & Adler, Chicago—direct response advg, all products—John Mecchella, acct super; Randi Wine, acct exec.

MARGOA Direct, Chicago—direct response advertising, third party group products—Ron Perrella, acct super; Ron Denz, acct exec.

J. Walter Thompson Co., Los Angeles—Allstate Savings & Loan Assn.

SmithKline Corp.

	1978	1977
Sales	$1,112,039,000	$780,337,000
Earnings	164,075,000	89,271,000
Advertising*	91,215,000	67,585,000*

***Revised figure**

SmithKline Corp., Philadelphia, the nation's 42nd largest advertiser, spent $91,215,000 on advertising last year, a 35% increase over the 1977 expenditure of $67,585,000.

The ad spending jump was said to be a reflection of increased corporate sales performance and was also tied to introductory ad and promotion efforts behind the new drug, Tagamet.

Corporate sales increased 43% to $1,112,039,000, surpassing the $1 billion mark for the first time. Pretax income was up 95% to $261,275,000 and net income rose 84% to $164,075,000.

The product that made SmithKline's sales and profits rise so dramatically and made it a darling of Wall St. was Tagamet, a breakthrough drug for the treatment of ulcers and other gastrointestinal disorders, introduced in 1977.

▪ Ethical pharmaceutical sales were up 64% to $672,000,000; U.S. sales represented $350,000,000 of that figure and foreign sales tallied

$322,000,000. Gastrointestinal group sales including Tagamet sales were pegged at $315,000,000, up from $90,000,000 in 1977.

Stock dividends for SmithKline were raised twice in 1978, from 27½¢ to 33¢ and from 33¢ to 45¢ per share. The quarterly dividend rose again in January, 1979, to 60¢ and the board of directors recommended a two for one stock split at the company's annual meeting in April.

Another successful product for the ethical pharmaceutical division was Dyazide, an antihypertensive-diuretic. SmithKline's antihypertensive-diuretic group contributed sales of $114,000,000. In May 1979, SmithKline received approval from the Food & Drug Administration to introduce Selacryn, the first prescription drug to lower both blood pressure and serum acid levels.

Proprietary drug sales were up 25% in 1978 to $118,000,000 led by Menley & James' Contac cold product which is in its 18th year in the market. The brand, which claims the No. 1 spot with a 30% market share, received $13,257,000 in measured media spending in 1978, up 10% from the year before.

Contac shares the top of the market with Whitehall Laboratories' Dristan.

■ Sales were also up for Sine-off sinus headache product and newer products A.R.M. allergy relief medicine and Contac Jr., a children's cold medication.

Combined spending for Sine-off products, which includes Extra Strength Sine-off, was $5,848,900 in 1978. A.R.M. support doubled in 1978 from $2,220,600 to $4,467,800.

In 1978, SmithKline created a Professional Products division to market nonprescription products previously sold in the U.S. by the pharmaceutical division. The products to be sold by this newly formed division include Teledrin timed release antihistamine allergy medicine; Ecotrin, a coated aspirin for arthritis that doesn't create stomach upset, and Ornex, a decongestant and nonaspirin analgesic/antipyretic.

SmithKline's animal health products enjoyed a good year in which sales rose 38% to $85,000,000.

The animal health products unit includes Norden Laboratories which makes veterinary pharmaceuticals and biologicals in the U.S., and Animal Health Products which sells feed additives, pharmaceuticals and biologicals worldwide.

The company ranks among the top 10 makers of animal health products in the world.

Norden introduced several new products, including Vanguard, a new line of canine vaccines to protect against hepatitis, distemper and other respiratory infections.

SmithKline's Avoset Food Corp., which had 1978 sales of $27,737,000, was sold in October 1978.

Combined sales of cosmetics and sun care products were $25,000,000, the same as in 1977.

Menley & James dropped its Love's cosmetics in early 1979. The group brought in only $9,000,000 in factory sales last year. It received less than $2,000,000 in measured media support.

The company will continue its fragrance business that includes Love's Baby Soft line which received $216,000 in measured media support and Love's Misty perfume which received $103,700 in 1978.

Sea & Ski sun care products sales were off last year, a decline attributed to increased national and regional competition. Sea & Ski tanning lotion and suntan products received a combined total of $378,500 in measured media backing, down from $525,888 in those categories in 1977.

Sea & Ski introduced First-Aid, an all-purpose topical anesthetic and it licensed the Sea & Ski trademark to swimsuit and sportswear makers.

SmithKline Corp.'s Norden Laboratories markets PR-Vac, a vaccine used in the treatment of hogs.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 129,500	$ 285,500
Magazines	2,217,000	763,000
Farm publications	652,700	444,800
Spot tv	4,931,600	1,170,900
Network tv	16,838,100	16,487,700
Spot radio	606,400	1,532,000
Network radio	5,153,900	4,320,000
Outdoor	426,900	173,000
Total measured	30,956,100	25,177,200
Unmeasured	60,258,900	42,407,800*
Total	92,215,000	67,585,000*

*Revised figure

SMITHKLINE & FRENCH LABORATORIES

Philadelphia

MARKETING PERSONNEL

Donald van Roden, executive vp, SmithKline Corp.; president, SmithKline & French Laboratories
Alan Dalby, vp, SmithKline Corp.; vp, International Operations
Thomas M. Collins, vp, SmithKline Corp., vp and genl mgr, U.S.
Harry C. Groome III, vp, mktg, U.S.
William S. Pilling, vp, mktg admin, U.S.
Frank J. Byrne, vp, customer affairs-U.S.
Joseph Rutledge, vp, trade relations-U.S.
Robert Cook, vp, sales & distribution-U.S.
Walter Wicker, director, U.S. ad & special promo
Warren Blair, director of design-U.S.
Stuart Siddall, vp, intl mktg
John Groom, area vp—intl
Robert F. Daily, area vp—intl
Joseph M. Weaver, area vp—intl

MENLEY & JAMES LABORATORIES

Philadelphia

MARKETING PERSONNEL

Peter Godfrey, vp, SmithKline Corp.; president, Menley & James Laboratories
Samuel Rulon-Miller, exec vp-genl mgr—proprietaries
William P. Howe, vp-genl mgr, cosmetics & toiletries
Richard E. Bagley, vp, professional products
John Chappell, vp, intl operations
Christopher Young, mktg mgr
Mike Dujmusic, director, mktg—intl
Gloria di Silvestro, director, new product devel
Melmon May, senior brand mgr
Peter C. Gonze, senior brand mgr
William R. Gast, senior brand mgr
William Gericke, brand mgr
Thomas D. Miller, brand mgr
Mark M. Larsen, asst brand mgr
John P. Noonan, vp, director of sales & customer affairs
John J. Mulvihill, mgr, government mktg
David A. Stevens, director, mktg services
Geoffrey Hawes, promo mgr, proprietaries
David Heist, mgr, trade relations
David Schmidt, design director

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Contac, Contac Jr., Sine-Off, A.R.M. allergy relief medicine—David Scott, mgmt super, creative director; Myrna Grober, deputy mgmt super; George Wilson, acct super.

Jan Zwiren Agency, Chicago—Love Cosmetics—Jan Zwiren; Vince Copp.

Grey Advertising, New York—Professional Products division—Fred Milman, acct super.

SEA & SKI CORP.

Philadelphia

MARKETING PERSONNEL

Melmon May, senior brand mgr

ADVERTISING AGENCY

Scali, McCabe, Sloves, New York—Phil Cohen, acct super.

GEOMETRIC DATA

Wayne, Penn.

MARKETING PERSONNEL

Melvin Miller, president
Edward Wampold, vp, sales & mktg
Charles Kane, director of mktg
Lee Cooper, adv mgr

ADVERTISING AGENCY

Carson & Carson, New York.

SMITHKLINE CLINICAL LABORATORIES

Sunnyvale, Cal.

MARKETING PERSONNEL

Jack Bolwell, president
Francine Lundy, adv mgr

SMITHKLINE INSTRUMENTS

Sunnyvale, Cal.

MARKETING PERSONNEL

David M. Hintz, genl mgr, medical ultrasound
Thomas Jedrzejewicz, director, mktg
Debra Fry, product mgr
M. James Barrett, genl mgr, in vitro diagnostics
Joseph J. Cholko, vp-director, mktg
Susan J. Jelonek, mktg mgr, clinical chemistry
S. Wayne Kay, mktg mgr, clinical diagnostics
Sharon L. Freitas, adv mgr, medical ultrasound
Judy Reimer, adv coordinator, in vitro diagnostics

ADVERTISING AGENCIES

Humpal, Leftwich & Sinn, Palo Alto, Cal.—medical ultrasound—Jerry Humpal, president.

Bachrach Ketchum, San Francisco, Cal.—in vitro diagnostics—James L. Wilson, exec vp.

BRANSON ULTRASONICS CORP.

New Canaan, Conn.

BRANSON CLEANING EQUIPMENT CO.

Shelton, Conn.

MARKETING PERSONNEL

Robert J. Hunter, president
Robert A. Geckle, director of mktg
Thomas H. Calhoun, product mgr

ADVERTISING AGENCIES

Chandler & Marvel, Bristol, Conn.—Robert Chandler, acct exec.

Maier Advertising, Farmington, Conn.—Tim C. Gaillard, acct super.

BRANSON SONIC POWER CO.

Danbury, Conn.

MARKETING PERSONNEL

Robert J. Novello, president, genl mgr
Donald Kolb, vp, mktg
Ed Samuels, natl sales mgr
Mark Miller, adv & sales promo mgr

ADVERTISING AGENCY

Kieler-McKinley, Farmington, Conn.

KRAUTKRAMER-BRANSON

Stratford, Conn.

MARKETING PERSONNEL

Daniel E. McNulty, president, genl mgr
Richard Hull, director of mktg
George Quinn, mgr, mktg services

ADVERTISING AGENCY

Marquardt & Roche, Stamford, Conn.—Melanie Messelt, acct exec.

SMITHKLINE ANIMAL HEALTH PRODUCTS

Philadelphia

MARKETING PERSONNEL

Norman Blanchard, vp-intl operations
Alan Herosian, intl mktg planning mgr
Roger C. Crum, director, U.S. & Canada operations
Gerald Myers, natl sales mgr
Alan Witkin, mgr, mktg rsch

ADVERTISING AGENCY

Lewis & Gilman, Philadelphia—Ronald Richter, mgmt super.

NORDEN LABORATORIES

Lincoln, Neb.

MARKETING PERSONNEL

John P. Wareham, president
Daniel B. Hinnah, director, mktg
Lyle Ashelford, adv mgr

ADVERTISING AGENCY

Bozell & Jacobs, Omaha—Omer Dye, acct exec.

Squibb Corp.

	1978	1977
Sales	$1,515,882,000	$1,341,583,000
Earnings	117,255,000	112,508,000
Advertising	50,000,000	40,000,000*

*Restated

Squibb Corp., New York, the 73rd largest national advertiser, is estimated to have increased its ad spending in 1978 about 25% to $50,000,000. Squibb reported its worldwide ad expenditures equalled $75,000,000 in '78.

Net sales were over $1.5 billion, up 13% from 1977, and net income rose 4% to $117,255,000. Squibb operates four wholly owned subsidiaries: E.R. Squibb & Sons, Charles of the Ritz Group Ltd., Life Savers and Dobbs Houses.

Sales of confections reached $376,293,000 in '78, an increase of 14%. High marketing expenditures together with capital-expansion programs contributed to a decrease in divisional profits which dropped from $57,149,000 in '77 to $52,868,000 in '78.

Total ad spending by Life Savers continued to increase in '78, reaching an alltime high of $24,000,000 in support of its hard roll candy, mints, chewing gum, lollipop and bubble gum brands.

■ Life Savers candy, the leading hard roll candy after 60-plus years in distribution, introduced a new ad campaign late in '78. The new campaign, themed "Coming home," builds on the previous "Part of living" advertising and uses celebrities in tv and radio spots to describe their real life memories of the product.

The introductory commercial features Henry Fonda. Total spending of $7,600,000 was placed in network tv and spot radio.

Bubble Yum maintained its position as the No. 1 bubble gum as ad spending increased by more than 50% to $6,500,000 in '78. The brand's third flavor, spearmint, was introduced in the beginning of '78 with a special ad program directed at teen agers and young adults.

BBDO resigned the Bubble Yum account in November, 1978, and subsequently announced that it had acquired Arthur Meyerhoff Associates, which handles most of the Wrigley business.

Life Savers hired Foote, Cone & Belding, New York, to handle Bubble Yum and selected new products. A new child and teen age-oriented campaign for Bubble Yum, themed "Number Yum," was developed for airing at the beginning of '79.

■ Care*Free gum continued to improve its position in the sugarless gum market. By yearend '78, it was neck-and-neck with the traditional market leader, Trident.

Squibb says that by the first Nielsen food store reporting period in '79, Care*Free had overtaken Trident by registering a 43.2% unit share. Ad spending in '78 was $6,000,000, even with '77, and was split between network tv and spot radio supporting the "32% more gum" campaign aimed against Trident.

New ad campaigns scheduled in children's network tv were introduced for two younger-oriented brands, Life Savers lollipops and Fruit Stripe gum.

A new animated spokesman, Willie Whirlwind, was used to emphasize the long-lasting flavor benefits of Life Savers lollipops and to announce the new chocolate swirled flavors. Measured spending on lollipops was $2,500.

Fruit Stripe gum enjoyed a successful year in '78 due primarily to its bubble gum line extension and the use of new "Herd of flavors" ads featuring the Fruit Stripe zebra.

Beech-Nut gum received about $1,200,000 in ad support concentrated in eastern and southern high-franchise market via spot tv and radio.

■ Breath Savers, a new premium-priced breath mint, began its regional rollout in October, 1978. This new entry in the growing sugarfree mint market is a blue-in-the-middle breath mint containing a long-lasting breath freshener.

Its introductory campaign demonstrates the sugarfree advantages of the new product compared to No. 1-selling Certs. Breath Savers is positioned to appeal to consumers "who want fresh breath but don't want sugar." In '78, measured media spending was $258,800 in spot tv.

Sales of the Charles of the Ritz Group fragrances and cosmetics divisions reached $183,189,000 in '78, a 25% increase over '77. Excluding the gain on the sale of the Lanvin trademark rights in January, 1978, to Lanvin S.A., Paris, profits from operations grew 24% compared to the 19% gain in '77. The company says the year's results were aided by the successful launching of two new fragrances in the U.S.: Enjoli and Yves Saint Laurent's Opium.

Enjoli was the more heavily promoted of the two, with about $3,000,000 backing its introductory campaign starting in September. Enjoli is positioned as the "eight-hour perfume for the 24-hour woman" and supported primarily on net tv and in magazines.

■ Opium, introduced in the U.S. in October, spent about $113,700 in measured media in '78. But this figure doesn't come close to estimating the value of Opium's exposure in the media.

Almost from the start of its introduction in the U.S., eyebrows were raised over its advertising and marketing which some groups say capitalizes on a drug that for years was the scourge of the Chinese people.

The original Opium ad, created by Paris agency Mafia, is translated, "For those who are addicted to Yves Saint Laurent." The campaign was voted the best of 1978 by the Fragrance Foundation.

Due to pressure groups, the fragrance's advertising is undergoing a complete overhaul and the name also might be changed. In May, 1979, Opium's media buying agency, Cathy Cash Spellman, resigned. Murray Salit & Associates succeeded, and will also help create ads.

Despite its problems, Opium sales are estimated at $3,000,000 since its introduction in the U.S. and $7,000,000 during its first year in Europe.

The Yves Saint Laurent brand reached a new high in sales in '78, according to the company. Measured spending by Rive Gauche perfume was $1,794,900. Spending for YSL Cologne for Men was $96,554, all in magazines.

The Charles of the Ritz brand of cosmetics products received expanded ad support in 1978, up to just under a million from $283,800 in '77, primarily in magazines with a little spot tv. Initial response to Revenescence moist environment treatment series is extremely favorable, Squibb says.

■ E.R. Squibb sales were up 8% in '78 to $723,739,000. Profits from this operation remained stable at $102,894,000 as increased spending for marketing and research and development offset sales increases.

Theragran vitamin tablets, Squibb's leading vitamin brand, received $84,000 in measured ad support, all on spot tv.

The Dobbs Houses subsidiary, the leading operator of airport restaurants in the U.S., reported sales rose to $232,661,000 in '78 from $197,285,000 in '77. No ad support was reported.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$145,000	$138,500
Magazines	1,612,600	1,057,700
Spot tv	2,484,200	4,686,200
Network tv	24,890,500	20,689,600
Spot radio	4,114,000	2,940,000
Network radio	80,300	———
Outdoor	———	400,000
Total measured	33,326,600	29,512,400
Unmeasured	16,673,400	10,487,600
Estimated total	50,000,000	40,000,000

CHARLES OF THE RITZ GROUP

MARKETING PERSONNEL

Martin H. Schmidt, president & ceo
John Grace, senior vp, worldwide mktg devel
Brenda Harburger, vp, mktg, Enjoli and Bain de Soleil
Simone Hoffman, vp, genl mgr, Charles of the Ritz
Mark A. Laracy, senior vp, genl mgr, fragrance div
Kenneth Meeker, vp, mktg, Jean Nate
Alan J. Paston, vp, mktg services
Madleine Seals, vp, mktg, Alexandra de Markoff and Imperial Formula
Ronald Senkirk, vp, genl mgr Alexandra de Markoff and Imperial Formula
Kristina Wrba, vp, mktg, Yves Saint Laurent

ADVERTISING AGENCIES

Advertising to Women, New York—fragrance.

Kurtz & Tarlow Advertising, New York—Charles of the Ritz.

Della Femina, Travisano & Partners, New York—Alexandra de Markoff

Murray Salit & Associates, New York—Opium, YSL, Pour Homme & "Y"

LIFE SAVERS

MARKETING PERSONNEL

W. Mack Morris, president
Jerral R. Pulley, exec vp
Lawrence K. Hathaway, senior vp-mktg

ADVERTISING AGENCIES

Dancer Fitzgerald Sample, New York—Life Savers roll candy, Care*Free sugarless gum, Life Savers gum, Fruit Stripe gum, Life Savers lollipops, Breath Savers, new products—O. Burtch Drake, super.

BBDO, New York—Bubble Yum, Beech-Nut gum and new products—T. Newlin, mgmt super.

E. R. SQUIBB & SONS

MARKETING PERSONNEL

Digby W. Barrios, vp, mktg
Richard A. Druckman, vp, sales
William W. Crouse, worldwide mktg devel

ADVERTISING PERSONNEL

Vincent Trovati, adv dir
Stephen A. Savat, creative service mgr
Edith Vandenburgh, adv service mgr
Robert L. Williams, communications service mgr
Frank O. Henschel, media planning media
Richard A. Canning, scientific projects mgr
Martin Coyne, Robert Doyle, Susan Funk, adv mgrs

ADVERTISING AGENCIES

E. R. S. Advertising, Princeton, N.J. (in-house).

Fones & Mann, New York—Theragran.

Dugan & Farley, Montvale, N.J.—Velosef.

Tom Ferguson Associates, Parsippany, N.J.—Pronestyl.

Rolf Rosenthal, New York—CORGARD.

Standard Brands

	1978	1977
Sales*	**$2,400,000,000**	**$2,124,311,000**
Earnings ...	**75,800,000**	**68,554,000**
Advertising*	**34,191,000**	**34,189,200**

***Worldwide, less excise taxes**
***U.S., estimated by AA; 1977 figure restated**

Standard Brands, New York, was the 93rd largest national advertiser in 1978, spending an estimated $34,191,000 in advertising, about even with the 1977 investment of $34,189,200. The 1977 figure has been restated.

Worldwide, the company spent an estimated $51,900,000 in advertising in 1978.

The company registered worldwide sales and earnings gains for the 23rd consecutive year. Worldwide sales registered a landmark $2.4 billion, up 13% from the $2.1 billion recorded in 1977, while net income totaled $75,800,000, an 11% jump over the previous year's $68,554,000.

Domestic sales were $1.45 billion, up 5.7% from the 1977 total of $1.3 billion.

However, Standard Brands was not without its management problems as evidenced by the exodus of Reuben Gutoff last year and return of O. Lester Applegate, previously a vp with the company, as president.

▪ Standard Brands divides its operations into two main lines of business—consumer products and food ingredient products.

The consumer products segment is comprised mainly of the U.S. consumer products group and the beverage group. The former consists of four divisions: Standard Brands Foods, Planters, Curtiss and Pinata Foods.

The beverage group is comprised of the Fleischmann Distilling Co. division, the Julius Wile Sons & Co. division and All Brand Importers. (The Fleischmann and Julius Wile Sons companies were consolidated in 1978 into a single firm, Julius Wile Sons & Co., which is now the parent firm for all three marketing divisions.)

In the consumer products group, all categories, excluding Pinata (acquired in 1977), experienced improved sales and earnings over 1977, accounting for 80% of the company's net sales and 83% of its operating income.

The company sold S&W Fine Foods division of Imasco Corp. in 1978, after having acquired it the previous year.

▪ In 1978, Standard Brands food division chalked up record sales with increased earnings by both Fleischmann's and Blue Bonnet Margarines.

A new low calorie spread called Fleischmann's Light Corn Oil Spread was introduced while Fleischmann's Egg Beaters Cholesterol Free Egg Substitute was reformulated to appeal more to dieters.

Standard Brands tested its second margarine substitute, Fleischmann's Light, in various markets. At the same time, the company introduced a line of frozen Chinese foods called Royal Dragon Dimsum.

Royal gelatins and puddings experienced sales gains in 1978 in selected regional markets. A new pudding flavor called Royal Coffee Instant pudding was introduced during the last half of 1978.

Standard Brands' confectionery division continued to show substantial growth in sales and earnings, again led by industry leaders Baby Ruth and Butterfingers candy bars.

The Curtiss division was broadened by the introduction of Reggie bar in selected cities. Reggie is a new candy bar named after star N.Y. Yankee baseball outfielder Reggie Jackson. The company also introduced Sweet As You Please, an unsweetened gelatin mix.

▪ Saf-T-Pops, a high sugar line, was phased out during 1978, in line with the company's corporate nutrition policy. The division accounted for 12% of the company's sales.

Planters division registered record sales in 1978. Planters dry roasted peanut line was strong while record sales were attained for the dry roasted line.

A line of unsalted dry roasted nuts was introduced regionally in 1978 and will be offered nationally in 1979. The Planters line of canister-packaged snacks was expanded to include tortilla chips. Nut products accounted for 17% of Standard Brands sales.

The beverage group also ran well ahead of 1977 in sales and earnings. Fleischmann's Preferred continued to maintain its leadership position in the 90-proof blended whisky category. Canadian Ltd. and Royal Vodka sales both increased.

In 1978, Standard Brands acquired the trademark of the Ezra Brooks line of premium bourbons, including Sour Mash Bourbons. And in early 1979, Fleischmann was named the sole U.S. importer for the Metaxas line, an imported Greek specialty liqueur.

▪ Julius Wile Sons & Co. continued to experience volume growth in 1978 and benefited from increased consumer demand for quality imported brands. Dry Sack sherry, Benedictine, B&B liqueurs, Bollinger champagnes, Antinori Italian wines and Deinhard German wines continued strong.

The company introduced a complementary sherry brand called Cream Sack in selected markets and expanded its distribution of Souverain premium California wines nationally.

In 1978, Standard Brands acquired All Brand Importers, a leading imported beer distributor, taking advantage of the growing U.S. market in imported beer.

The acquisition added U.S. distribution rights for Foster's lager beer from Australia; Moosehead beer from Canada; Pilsner Urquell beer from Czechoslovakia; Dos Equis and Superior beers from Mexico, and Whitebread ale and Mackeson stout from England.

During 1978, the food ingredients group recorded modest gains in sales but earnings fell below previous years. The category, however, accounted for 20% of the company's total net sales.

Once again, low sugar price levels and industry over-capacity adversely affected the group's largest segment of activity, high fructose corn syrup (hfcs), resulting in only slight gains in the corn sweetener business. Still the segment remained profitable.

▪ Prospects for future growth appear bright as Isomerose 550 HFCS, a second generation 55% fructose product, was approved by many major soft drink manufacturers. In 1978, the company opened a new HFCS plant at Montezuma, N.Y., and expects to open a new corporate research and development center in the fall to develop new products.

Fleischmann vinegar division experienced higher sales and earnings in 1978 and maintained a leadership position in its industry. The Bakery Ingredients division began marketing "customized" margarine shortening which contains no artificial color or flavor.

The international group chalked up record sales and earnings in 1978, with strong performances in Canada and South America. Several new products were introduced in Canada by Lowney's Ltd., the company's confectionery and snack division, and new products are being developed in other areas.

▪ Standard Brands, in its 10K and annual reports, indicates worldwide advertising expenditures of $51,917,000, up 2.3% from $50,741,000 in 1977.

Standard Brands products received $24,253,000 backing in domestic measured media during 1978. The company's heaviest backed product, Planters nuts, received $4,788,000, while Fleischmann's margarine received $3,806,000. Spending for Planters oil went up slightly to $583,000. Total media expenditure for the entire Planters line exceeded $6,535,500.

An additional $1,549,000 was spent for Blue Bonnet margarine, while Blue Bonnet Spread Imitation margarine received $1,068,300.

The introduction of Reggie bar was backed by $805,800 in measured media spending, a figure expected to rise with increased sales. The newly acquired Pinata Mexican foods line received $1,712,500, mostly for spot television.

▪ Spending in 1978 for beverage operations, including Fleischmann Distillers, All Brand importers and Julius Wile Sons & Co., totaled just under $11,100,000. The company spent $1,314,300 for Dry Sack and Cream Sack, plus $1,056,800 for Benedictine, B&B and Cafe Benedictine liqueurs, and $118,300 for Pernod liqueur.

The $24,253,000 total measured media expenditure for 1978 was 15.3% lower than the previous year's $28,629,200. During the year, Standard Brands concentrated its advertising efforts in television with nearly $9,000,000 allocated to network tv and $8,500,000 for spot tv.

The two television categories combined to represent nearly 75% of the total measured media budget, up from last year's 64% allocation.

In 1978, the emphasis shifted away from radio advertising for Standard Brands, with only $502,000 spent. Measured media support reached more than $4,000,000 for magazines and $1,600,000 for newspapers.

▪ During 1978, Standard Brands assigned its major food products account to Wells, Rich, Greene and Doyle Dane Bernbach, both in New York, dropping Ted Bates & Co. after 40 years of service.

WRG picked up Fleischmann's margarine and spread accounts and Fleischmann's Egg Beaters, with total estimated billings placed at $7,000,000.

DDB added Smooth & Easy sauce and gravy bar, Royal gelatins and desserts, pet foods and Tender Leaf tea to its $5,000,000 Blue Bonnet margarine and spread account, for a total of about $7,000,000 in billings.

The company also assigned its Julius Wile Sons beverage division, estimated at $4,000,000 in billings, to de Garmo Inc. of New York, while Lee King & Partners of Chicago was assigned the Reggie bar account.

The Spanish Advertising Marketing Service, a division of deGarmo, was assigned Royal gelatin and puddings for Spanish-language campaigns.

In 1979, Sacks & Rosen of New York was awarded the Metaxa account while Botsford Ketchum of San Francisco was assigned Pinata Foods.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	**$1,611,700**	**$2,470,500**
Magazines	**4,010,300**	**4,288,800**
Spot tv	**8,636,300**	**5,192,800**
Network tv	**8,991,200**	**12,872,900**
Spot radio	**502,400**	**2,329,000**
Network radio	**—**	**97,200**
Outdoor	**498,700**	**778,000**
Total measured ..	**24,253,600**	**28,029,200**
Unmeasured	**9,957,400**	**6,160,000**
Estimated total ..	**34,191,000**	**34,189,200**

CONSUMER PRODUCTS GROUP

Robert Schaedler, group exec vp
Art Pearson, director, mktg services

1978 AD $
SUMMARY

See page 137

LNA

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Los Angeles, Ca. 90046, (213) 876-1770

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7424 Santa Monica Blvd.
Los Angeles, Ca. 90046, (213) 876-1770

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MARKETING PROFILES

STANDARD BRANDS FOOD

MARKETING PERSONNEL

W. Allen Kelly, president

Grocery Products Division

David Graham, vp, mktg
Marc E. Atkinson, group product mgr, Fleischmann's products
Giovanni Pacheco, group product mgr, Royal Desserts
Charles McGovern, director, adv & merch services
Ellen R. Marram, group product mgr, Blue Bonnet products

Pinata Foods

Arthur H. Baer Jr., president
Arthur Pearson, vp, mktg
Frederick Ponder, director, mktg

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Blue Bonnet margarine and spread, Smooth & Easy sauce and gravy maker, Royal gelatins and desserts, pet foods, Tender Leaf Tea—Jerry Brady, vp, mgmt super.

Wells, Rich, Greene, New York—Fleischmann's margarine and spread, Fleischmann's Egg Beaters—Marty Mitchell, acct group super.

J. Walter Thompson Co., New York—Fleischmann's Yeast, Standard Brands International products—Ken Robbins, acct group director.

Botsford Ketchum, San Francisco—Pinata Foods—Lynn Upshaw, mgmt super.

Landsdowne Advertising—New York—Royal Dragon Oriental Frozen Foods—Arthur Cohen, managing director.

Curtiss

Warren Burkholder, president, Standard Brands Confections
Thomas Corr, mktg vp
Gary R. Bebee, group product mgr, Butterfinger, Pearson, Droste
Beth L. Bronner, group product mgr, Baby Ruth, Jumbo Block
Charles Tate, group product mgr, Reggie, Peanut Butter Cups, Wayne

Planters

Robert B. Truckenbrod, vp, mktg
William Spencer, group product mgr, Planters new products
J. Carey Keane, director, mktg, Planters nuts
Howard Potratz, director, new products, Planters div
Fredrick Schmidt, group product mgr, dry roasted nuts
John Lox, group product mgr, oil roasted nuts

ADVERTISING AGENCIES

Benton & Bowles, New York—Planters nut products—J. Frazer, acct super.

Lee King & Partners, Chicago—Curtiss Confectionery: Baby Ruth, Butterfingers, Reggie bars—Robert Inmen, managing super; Tom Sabin, acct mgr.

BEVERAGE GROUP

Marketing Personnel

Ferdie A Falk, senior vp, group exec
Robert C. Baranaskas, senior vp
John Kucich, senior vp

Fleischmann Distilling Division

Leo Begleiter, president
Alan M. Levine, vp, director, mktg
Robert C. Schutte, vp, natl sales mgr
Mort Mazor, group product mgr, Fleischmann's Preferred, Fleischmann's gin, Fleischmann's Royal vodka, Southern Host
Howard Gintell, group product mgr, Canadien Ltd., Garnier Cordials, Di Amore liqueurs, Metaxa
Alfred D'Isernia, group product mgr, Ezra Brooks, Trigo Rum, Duval vermouth, Pancho Villa tequila
Joseph Tremont, product mgr, Ezra Brooks
Karen Lampert, group product mgr, new product devel, Fonda Blanca, Droste liqueur
Ronald R. Robinson, group product mgr, beverages

Julius Wile Sons Division

Neil L. Bianchini, president
Jerome Levy, vp, director, mktg
Richard A. Amen, vp, genl sales mgr
Cornelius H. Marx, vp, operations
Julian P. Levinson, group product mgr, Williams & Humbert sherries, Bollinger champagnes, Souverain premium California wines, Deinhard German wines, Chanson Burgundy wines, Prats Bordeaux wines, William Alsatian wines, Pernod aperitif
Dennis E. Beacham, group product mgr, Benedictine and B&B liqueurs, St. Raphael aperitif wine, Get Peppermint liqueur, Lemon Hart Jamaica rums, Delamain cognac, Antinori Italian wines

ALL BRAND IMPORTERS

Paul Lohmeyer, president
John Roux-Lough, mktg vp
Earnest Desperto, mktg vp (Skol)
Robert A. Martin, director, adv/promo

ADVERTISING AGENCIES

deGarmo, New York—Dry Sack sherry, Cream Sack sherry, Benedictine, Benedictine & Brandy, Pernod, St. Raphael, Julius Wile products, William Alsatian wines, Antinori Italian wines, Bollinger champagne, Chanson burgundies, Langlois Chateau sparkling saumur, Leacock Madeiras, Prats—Dave Mandelbaum, acct super.

Waring & LaRosa, New York—Fleischmann's Preferred blended whisky, gin, Royal Vodka, Canadien Ltd., Southern Host liqueur, Trigo White and Gold rums, Ezra Brooks bourbon, White Tavern vodka and gin, Duval French vermouths, French Kiss apertif, Amaretto di Amore, Fonda Blanca white and gold tequilas, Capercaillie and Churchill Scotch whiskies, Select and bonded bourbon whiskies—Seth David, vp, acct super.

Sacks & Rosen, Inc., New York—Skol Dutch lager beer, Garnier liqueurs, Metaxa Greek liqueur—Michael Rosen, vp, acct super.

Mathieu, Gerfen & Bresner, New York—Foster's Moosehead—Nat Norton, acct super.

Erwin Wasey Inc., Los Angeles—Souverain premium California wines—Joseph Gallagher, mgmt super.

Siesel Co., New York—Duval vermouths—Alfred Siesel, mgmt super; Daniel Siesel, acct super.

Sterling Drug

	1978	1977
Sales†	$724,595,000	$682,134,000
Earnings††	94,675,000	85,829,000
Advertising*	78,000,000	72,000,000

***AA Estimate**
†Domestic
††World Wide

Sterling Drug, New York, the nation's 50th largest advertiser, spent an estimated $78,000,000 for U.S. advertising in 1978, up 8.3% from 1977. Worldwide ad expenditures were reported by the company at $174,461,000, up from $156,469,000 in 1977.

Sterling's worldwide sales were $1.3 billion, up 11% from $1.2 billion in 1977. Sterling markets its products in the U.S. and 125 other countries.

Effective April 1, 1978, Sterling shifted products between its Breon and Winthrop divisions to increase marketing, sales and distribution effectiveness. Breon became solely a specialty pharmaceutical house by transferring to Winthrop its over-the-counter products, Haley's M-O laxative, Campho-Phenique antiseptic, Bronkaid anti-asthmatics, Caroid and Bile Salts laxative and Astring-o-sol mouthwash.

In return, Breon received Isuprel bronchodilator, Marcaine, Carbocaine and Novocain anesthetics; Levophed and Isuprel emergency treatment injectables.

In an unrelated move, Winthrop's Talwin analgesic was assigned to Klemtner Advertising from BBDO's Frank J. Corbett Inc. unit.

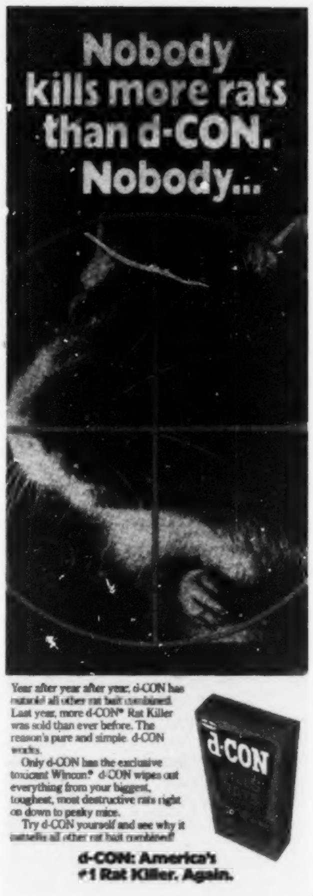
■ A new consumer division was set up within Winthrop to market its nonprescription products. Winthrop continues to market prescription products also, including Demerol analgesic; Hypaque, Telepaque and Bilopaque radio diagnostic agents, and pHisoHex and SeptoDyne antiseptic skin cleansers.

Stering's prestige suffered a blow when the National PTA's action board early in 1979 cited the company as the "most offensive advertiser" for placing its tv spots on programs it called "low quality" and for not showing up on shows rated "exemplary efforts."

Glenbrook Labs' Bayer line, which shifted its more than $15,000,000 account in 1978 to SSC&B from Doyle Dane Bernbach shortly after Sterling received a rebuke from the Food & Drug Administration for running ads that the FDA said misrepresented an earlier FDA report on the safety issue between aspirins and nonaspirins, returned to a pure aspirin "100% pain reliever" theme. That was the first campaign SSC&B created for Bayer aspirin since it was assigned in February, 1978.

■ Of all major analgesics, Bayer aspirin has suffered the most, as Johnson & Johnson's McNeil Consumer Products' Tylenol nonaspirin captured the No. 1 slot in the $750,000,000 market. With a 20% share, Tylenol is ahead of American Home Products' Anacin (13%), Bayer (10%) and Bristol-Myers' Bufferin (10%).

The additional assignment of Bayer to SSC&B brings the total amount of Sterling business now in that shop to more then $35,000,000—enough to make it the company's major agency by far.


Nobody kills more rats than d-CON. Nobody...
d-CON
d-CON: America's #1 Rat Killer. Again.

Year after year after year, d-CON has outsold all other rat bait combined. Last year, more d-CON* Rat Killer was sold than ever before. The reason's pure and simple: d-CON works.

Only d-CON has the exclusive toxicant Wincon.* d-CON wipes out everything from your biggest, toughest, most destructive rats right on down to pesky mice.

Try d-CON yourself and see why it outsells all other rat bait combined!

Sterling Drug's d-CON rat killer was advertised in magazines and spokesman Muhammad Ali pitched it on television and in print ads.

The SSC&B assignment also includes Bayer children's aspirin, Bayer Timed-Release aspirin and Bayer cold tablets, but none of these entries is heavily advertised.

Although Sterling already markets a cold tablet—a very minor entry—under the Bayer name, it was seen considering another product, Bayer Plus. A tv commercial was run in Davenport, Iowa, mainly to assess consumer reaction; no product could be found on retail shelves. A company representative said the product was in a very limited test.

Sterling increased its research and development budget 13% in 1978 to $42,000,000. Spending in this area is expected to rise another 20% in 1979, the company said.

In the area of doctor-recommended, over-the-counter medicines marketed by Winthrop's consumer products division, sales of Neo-Synephrine decongestants in 1978 were aided by the first full year of marketing of Neo-Synephrine II long-acting products.

Neo-Synephrine II nasal spray was bolstered by $1,681,200 in ad spending, the overwhelming bulk of it in network tv. That total was more than double 1977's ad expenditures of $828,000 for the product.

■ In 1978, Glenbrook concentrated its marketing activities to support products that appeared to have the most growth potential. There was a strengthening of sales of Phillips' Milk of Magnesia to record levels. Midol Caplets' ad backing was raised to $3,120,500 from $2,320,100 in 1977, boosting its sales from a record 1977.

Sterling's principal consumer products division, Lehn & Fink, markets household products and cosmetics, fragrances and toiletries under the Givenchy, Crepe de Chine, Dorothy Gray, Tussy and Ogilvie names. It also serves industrial and institutional customers with a variety of sanitary maintenance products.

Parfums Givenchy, a division of Lehn & Fink, assigned its estimated $750,000 to $1,000,000 account to Levine, Huntley, Schmidt, Plapler & Beaver. The fragrances include Monsieur Givenchy, Givenchy Gentleman, L'Interdit, Givenchy III and Le De. Previous agency was SSC&B.

Among the Lehn & Fink division's most popular consumer products are the Lysol disinfectant and cleaner line, for which Sterling spent more than $19,000,000 in measured media. Receiving especially heavy support were Lysol liquid deodorizing cleaner, $3,411,200; Lysol spray basin, tub and tile cleaner, $3,316,800, and Lysol spray disinfectant, $8,671,400.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$1,352,900	$ 688,660
Magazines	7,189,200	6,270,300
Farm publications	263,000	194,000
Spot tv	6,289,000	8,767,000
Network tv	55,507,500	49,252,300
Spot radio	2,275,000	1,906,000
Network radio	2,754,700	2,926,800
Outdoor	61,400	123,900
Total measured	75,692,700	70,128,800
Unmeasured	2,307,300	1,871,200
Estimated total	78,000,000	72,000,000

GLENBROOK LABORATORIES DIVISION

New York

MARKETING PERSONNEL

J. Alberts, vp-director of mktg
P. Klein, vp-director of new products
F.M. Fox, vp-director of sales
G.P. Mattimore, director, mktg services
J.C. Marshall, mkt rsch director
H.C. Johnson, mgr, promo materials purchasing
G. McLennan, P.J. Moriarty, group product mgrs

Product Managers

P.H. Kalikstein, Bayer adult aspirin
K. Messer, Diaparene line
H.J. Muessen Jr., new products
A.M. Kidder, new products
K. Sims, Midol Caplets, Fletcher's Castoria, Jayne's P-W, Breacol cough syrups
M.M. Wolf, Bayer children's products, Bayer Timed-Release aspirin
W.C. Elliott, Phillips' Line, Fizrin, Dr. Lyon's, Vanquish

ADVERTISING AGENCIES

SSC&B, New York—Bayer aspirin, Bayer children's aspirin, Bayer children's cold tablets, Bayer Timed-Release aspirin, adult Bayer, new products—C. Hasser, mgmt super, Bayer children's brands and Bayer Timed-Release; W. Croke, mgmt super.

Thompson-Koch Co., New York—Midol—Richard Hartman, acct exec; Daniel Kane, media director.

Cunningham & Walsh, New York—Phillip's line, Fletcher's Castoria, new products—F. Vernon, mgmt super; J. Walter, acct super.

James Neal Harvey Inc., New York—Diaparene line, new products—M. Byrne, acct super; J. Borza, acct exec.

Dugan/Farley Communications Associates, Montvale, N.J.—Medical communications—P. Dugan, president.

The Marschalk Co.—new products.

LEHN & FINK PRODUCTS CO.

Montvale, N.J.

MARKETING PERSONNEL

Robert D. White, vp-new products and long-range planning

Cosmetics Division

Herbert Waller, pres, general mgr
Dominick La Rosa, product director
Charles Deignan, natl sales mgr

Products Givenchy Division

Louis Della Pesca, exec vp
Julia Watson, mktg director

Consumer Products Division

Walter C. Camas, pres, general mgr
Albert Cramer, vp-sales
John P. Walsh, director, adv service

Industrial Products Division

Earl K. Borman, L&F vp; div president
S. Raymond Mitchell, vp-sales
William D. Williams, product line mgr, National Labs, cleaning/maintenance products
N.H. Neal, vp, mktg mgr, Hallemite

ADVERTISING AGENCIES

SSC&B, New York—Lysol products, Beacon wax, Mop & Glo, Wet Ones—William V. Weithas, exec vp; Alan Grazio, acct super, Beacon wax, Mop & Glo, Wet Ones.

Warwick, Welsh & Miller, New York—Stri-Dex, Medi-Quik, Lysette and Noreen—Wilder Baker, mgmt super, Body All and Medi-Quik, Stri-Dex; Steve Badenhup, acct exec.

Warren, Muller, Dolobowsky, New York—Dorothy Gray, Tussy, Ogilvie—Robert Varian, acct super.

Levine, Huntley, Schmidt, Plapler & Beaver—Parfums Givenchy.

BREON LABORATORIES

New York

MARKETING PERSONNEL

William H. Marsden, vp-director, mktg
Howard Mosesson, vp-director, sales
Michael P. Trepicchio, senior product mgr
K. Ludwig, asst product mgr

ADVERTISING AGENCY

Frank J. Corbett Inc., division of BBDO, Chicago—all ethical products—F.J. Corbett, mgmt rep; John M. Alderman, acct super; John Giddings, acct exec.

WINTHROP LABORATORIES

New York

MARKETING PERSONNEL

Blaise L. McGoey, vp, sales
Karl A. Brautigam Jr., vp, mktg/sales-consumer div
Edward A. Kelley, vp, mktg/ethical
Neil Sheridan, group product mgr—consumer products

ADVERTISING AGENCIES

Lavey/Wolff/Swift, New York—NegGram, Danocrine, Demerol, pHisoHex, Hypaque, Telepaque, Bilopaque—C. Rockefeller, senior vp.

Frank J. Corbett Inc., division BBDO, Chicago—Talwin, Talwin compound—J. Miller, acct super.

Warren, Muller, Dolobowsky, New York—Neo-Synephrine, NTZ, pHisoDerm, Neo-Synephrine II, and WinGel (consumer)—Richard Tucker, acct super.

Rumrill-Hoyt, New York—Haley's M-O, Bronkaid tablets & Mist, Caroid laxative—Jack Hogan, vp.

Thompson-Koch Co., New York—Campho-Phenique—R. Hartman, acct super.

COOK-WAITE LABORATORIES

New York

MARKETING PERSONNEL

Wayne J. Byers, exec vp
Richard H. Williams, field sales mgr
James W. Lee, D.D.S., vp, div of professional services and rsch
Robert C. Kibele, vp-genl mgr, Greene Dental Products, San Fernando, Cal. (C-W subsidiary)

ADVERTISING AGENCY

Frank J. Corbett Inc., division of BBDO, Chicago—Carbocaine, Carbocaine with Neo-Cobefin, other local anesthetic solutions, Carpule aspirator syringe, Greene TransView and DarcView X-ray film mounts, Greene filmholders, record cards—John M. Alderman, acct super.

d-CON CO.

New York

MARKETING PERSONNEL

John J. McFadden, vp, director, sales
Neil Nix, vp, director, mktg
Robert H. Storrie, adv mgr

ADVERTISING AGENCY

Thompson-Koch Co., New York—d-Con line, Rid-X septic tank conditioner, Energine line, House & Garden bug killer, Stay-Away outdoor fogger, Warpath powder spray, Double Action ant/roach killer, Ant-Prufe, Roach-Prufe, Four-Gone (automatic indoor fogger), wasp and hornet killer—E.J. Eberle, acct super.

STERWIN LABORATORIES

New York

MARKETING PERSONNEL

Jack Salyers, vp-mktg

ADVERTISING AGENCY

Sawyer Advertising, Gainesville, Ga.—poultry biologics, other animal health products.

Time Inc.

	1978	1977
Sales	$1,697,585,000	$1,249,816,000
Earnings	125,742,000	90,539,000
Advertising	76,348,000	45,951,000

Time Inc., New York, the 53rd largest national advertiser, increased its ad expenditures 66% to $76,348,000 in 1978, excluding the publishing of direct mail promotion or pro rata costs of advertising within its own magazines.

Measured media spending was $60,010,300 in 1978, up 34% from the $44,718,700 spent in 1977. Time attributed the increase mainly to additional magazine advertising and general promotion, added circulation promotion and the inclusion, for the first time, of a full year of Book of the Month Club advertising expense.

The largest segment of the Time Inc. ad budget went into magazines; the publisher and diversified forest products company allocated $23,391,000 for periodicals. The second largest chunk, $23,190,700, went into spot tv, duplicating Time Inc.'s ad spending patterns of the past. In 1977, the company spent $18,955,700 in magazines and $18,225,000 in spot tv.

■ Although network tv accounted for a relatively small percentage of ad dollars, it showed a dramatic percentage increase. In 1978, Time Inc. plowed $6,051,000 into network tv; a year earlier, the company spent $1,390,400 in this medium. Time Inc. also spent $5,546,000 in newspapers; $993,700 in spot radio; $815,800 in network radio, and $22,100 in outdoor.

The company's publishing operations provided 55% of revenues and 53% of pretax earnings and helped boost revenues 36% and earnings 31%.

In 1978, Time's magazines—*Time*, *Sports Illustrated*, *Fortune*, *People*, *Money* and *Life*—accounted for 34% of the company's revenues, down slightly from 37% a year ago.

Contributing the greatest share was *Time*, which for nine consecutive years has been the leading magazine in worldwide ad revenues. Last year, the company's flagship magazine raked in $260,000,000 in ad revenues. Domestically, it displaced *TV Guide* as the No. 1 magazine by attracting $199,000,000 in U.S. ad revenues.

- Saddled with rising postal and production costs, *Time* hiked its subscription price from $26 to $31 in July; in January, 1979, it raised its newsstand rate from $1 to $1.25. In February, 1979, the magazine made ad history with a 64-page Gulf + Western Industries annual report insert, the largest single ad ever to run in any medium.

The newsweekly, which held its rate base at 4,250,000, had the largest ad budget of the company's magazines. Its $12,380,000-plus was spent largely in spot tv ($10,923,500); followed by magazines ($777,000); network radio ($441,500); newspaper supplements ($212,300), and network tv ($26,000).

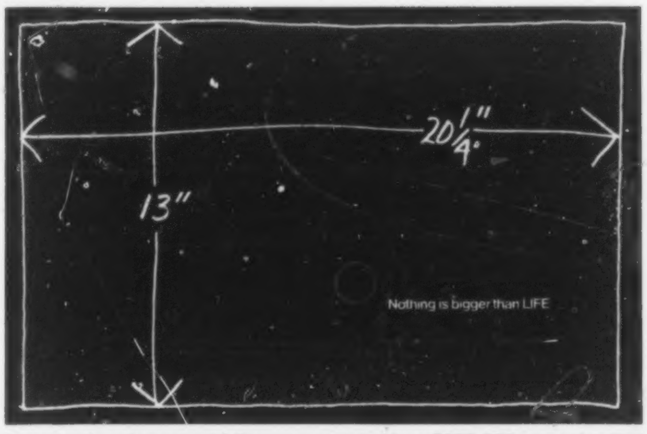
Sports Illustrated's ad revenues totaled $112,973,000, making 1978 the first time in the national weekly's 24-year history it broke the $100,000,000 mark. In January, 1979, *SI*'s rate base moved to 2,250,000. Last year, its subscription rate climbed to $25 from $20 and the newsstand price was raised from $1 to $1.25.

The fourth largest magazine in the U.S. in terms of ad revenue, *SI* plowed most of its $5,540,200 ad budget into spot tv ($4,367,800). The sports weekly also spent $522,700 in magazines, $418,100 in network tv; $139,200 in newspaper supplements, and $92,400 in network radio.

- *People*, which celebrated its fifth birthday last year, had ad revenues of $66,390,000, up 60% from a year earlier. Sold primarily at newsstands and check-out counters, the magazine raised its rate base to 2,300,000 in January, 1979. Last year, the weekly increased its cover price from 60¢ to 75¢.

People allocated the lion's share of its $7,107,600 ad budget to network tv, where it spent $5,270,200. The magazine also favored spot tv ($1,369,000) and also expended $281,900 in network radio; $93,600 in magazines and $92,900 in newspaper supplements.

The 47-year-old *Fortune*, which switched to an every-other-week frequency in January, 1978, upped its rate base to 660,000 in January, 1979. Ad revenues for the business magazine climbed to $41,854,000, up 43% from 1977. Last year *Fortune* parceled out $283,200 of its total $425,500 ad budget for spot tv and put the remaining $142,300 in magazines.



Time Inc.'s relaunched *Life* was supported by a $909,800 campaign that included spot and network tv, newspaper supplements and bright red magazine ads.

Money had its best year in 1978. The monthly, which raised its rate base to 800,000, pulled in $10,207,000 in ad revenues. Of its total $3,034,200 ad budget, the magazine invested $2,982,200 in spot tv. Its only other ad expenditure was $52,000 in network tv.

- The company's most dramatic magazine news was the resurrection of *Life*, a magazine which suspended publication as a weekly in 1972 and was brought back to life as a monthly devoted to photojournalism in October, 1978.

Initially the company set a rate base at 700,000, but that quickly swelled to 1,000,000 in January and is expected to go to 1,200,000 in January, 1980. At $1.50 for single copies and $18 for a year's subscription, *Life* brought in $2,499,000 in ad revenues in just three issues.

To promote itself, the reborn publication spent $909,800. Spot tv was the biggest recipient ($541,800), followed by network tv $248,700), newspaper supplements ($46,500) and magazines ($36,800).

Time-Life Books, which contributed $250,000,000 in revenues in 1978, launched three new series: An encyclopedia of collectibles, "The Seafarers" and "The Good Cook." It also publishes single titles and limited editions of photographic art.

Books spent more than any other Time Inc. division on promotion: $13,254,300, of which $10,377,600 was expended in magazines. Another $2,580,000 was put into spot tv and $296,700 was spent in newspaper supplements.

The wholly owned trade book publishing house, Little, Brown & Co., invested $1,314,900 in magazines to promote its general and children's books, legal and medical books and college textbooks. Its New York Graphic Society Ltd. spent $385,000 in magazines to publicize the art reproductions and books it publishes.

- The Book-of-the-Month Club, a wholly owned subsidiary, invested $2,715,800, all but $198,800 in magazines and the rest in newspaper supplements to promote its book club, records, graphic arts and educational programs.

Among Book of the Month Club's other operations, the Dolphin Book Club spent $27,400 in magazines; the Fortune Book Club, $157,700, also in magazines, and the now discontinued Good Health Book Club, $31,300 in magazines. There is also a Cooking and Krafts Club and Quality Paperback Service. The *SI* Book Club, operating within this division, also plowed another $146,200 into magazines.

In March, 1978, Time Inc. purchased the *Washington Star*, a 126-year-old afternoon daily newspaper in the nation's capital. Since its buy, Time has undertaken an extensive improvement of the paper and promotion effort.

In 1978, the company spent $126,400 to advertise its new newspaper. Some $112,600 went into spot tv and $13,800 into magazines. Under a separate sweepstakes promotion program, Time invested another $23,800 in magazines.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$5,546,000	$4,627,000
Magazines	23,391,000	18,955,700
Spot tv	23,190,709	18,225,000
Spot radio	993,700	391,000
Network tv	6,051,000	1,390,400
Outdoor	22,100	9,800
Total measured	60,010,300	44,718,700
Unmeasured	7,337,700	1,232,300
Estimated total	76,348,000	45,951,000

MARKETING PERSONNEL

Time

John A. Meyers, vp & publisher
Robert D. Sweeney, promo director
Seth Bidwell, mktg director

Sports Illustrated

Kelso Sutton, vp & publisher
Harry Rubicam, adv promo director

Fortune

Edward P. Lenahan, vp & publisher
Howard Kaplan, promo director

People

Richard J. Durrell, vp & publisher
John Verdon, promo director

Money

John U. Crandell, publisher
Gilbert Kisch, promo director

Life

Charles A. Whittingham, publisher
Gilbert Lesser, promo director

CORPORATE CIRCULATION

Lawrence M. Crutcher, director
Robert P. Fisler, vp & promo director
Richard Angle Jr., *Time* circ director
Donald Elliman, *Time International* circ director
William Taylor, *Fortune* circ director
Robert McCoach, *SI* circ director
Katherine Bonniwell, *Money* circ director
Eric Thorkilsen, *People* circ director
H. MacLean Smith, *Life* circ director

Time-Life Books

John L. Canova, vp & sales director
Paul Stewart, vp & promo director

Little, Brown & Co.

William A. Guthrie, adv & promo director

Book-of-the-Month Club

Frances Keegan, vp & adv director

The Washington Star

John Heyd, mktg director
Colleen Mueller, promo & pr director

Home Box Office

J. Robert Bedell, vp-mktg

Time-Life Films

Harvey Chertok, vp-adv & promo director

American Television & Communications Corp.

Trygve E. Myhren, senior vp-mktg & programming

Temple-Eastex

Joe K. Sample, vp-mktg (Temple)
C.H. Morian, Jr., vp-mktg (Eastex)
Alan Miller, dir-public information

Inland Container Corp.

J.E. Cory, senior vp, sales/mktg
J.M. Areddy, vp-public affairs

ADVERTISING AGENCIES

Young & Rubicam, New York—*Time* (ad promo)—John McGarry, mgmt super, James Tyrell, acct exec *Time* (intl circ) Y & R do Brasil—Chas. de Silva, acct exec *Fortune* (ad promo)—Tim Fitzgerald, acct super; Fred Jackson, acct exec *People* (ad promo)—John McGarry, mgmt super; Tim Fitzgerald, acct super, Robert Boucher, coordinator *People* (circ promo) John McGarry, mgmt super; E. Lebar, acct super; Bill Mears, acct exec

Ogilvy Mather/2, New York—*Sports Illustrated* (ad promo)—John Kelly, vp-acct super; Pieter Vebeck, vp-creative director, Harvey Hirch, vp-director media services

John Emmerling Inc., New York—*Money* (ad promo)—John Emmerling, president

Geer, Dubois, New York—*Life*—Pat Beece, vp-mgmt super; John Allen, vp-acct super; Dona Steedman, vp-acct exec

Wunderman, Ricotta & Kline, New York—*Time* (circ promo)—R Colligan, mgmt super, S Dapper, acct super; M Ally, acct exec *Sports Illustrated* (circ promo)—R Colligan, mgmt super; John Banner, acct exec *Fortune*—R Colligan, mgmt super, S Dapper, acct super, *Money* (circ promo)—R Colligan, mgmt super, S Dapper, acct super; M Wagner, acct exec Book-of-the-Month Club—Judith Liebman, acct super; Vicki Black, acct exec. Time-Life Books—George Wiedermann, acct super.

The Richards Group, Dallas—*Time*, *Sports Illustrated*, *Money* (circ promo)—D. Boyett, acct super.

Ritchie Hobson & Associates, Houston—Temple-Eastex—Phil Biddison, acct super; Bill Hobson, acct exec.

Lord, Geller, Federico & Einstein, New York—Book-of-the-Month Club—Gerry Roscowe, vp-acct super; Dianne Keller, acct exec.

Goldberg, Marchesana & Associates, Washington, D.C.—*Washington Star*—Norman Goldberg, acct super.

Rapp, Collins, New York—Time-Life Books—Stanley Rapp, acct super.

Hecht, Higgins & Peterson, New York—Home Box Office—Walter Higgins, acct super.

Roy H. Roth, Co., New York—Time-Life Films—Roy Roth, president.

Bryant Studios, New York—Time-Life Films—Larry Skoura, acct super; Rudy Wurtz, acct exec.

Franklin Spier, New York—Little, Brown—Kenneth Attkatz, acct exec.

Fountain, Huie, Fish Pty. Ltd. (Australia)—Time (intl circ)—Reg Fountain, mgmt director.

Toyota Motor Sales U.S.A.

	1978	1977
Sales†	$12,767,840,000	$11,161,313,000
Earnings†	567,249,000	569,645,000
Advertising‡	64,575,700	49,175,900

†Worldwide; 1977 figures restated; fiscal year ended June 30
‡U.S. Only

Toyota Motor Sales-U.S.A., Torrance, Cal., the 61st leading national advertiser, is estimated to have increased advertising 31% in 1978 to $64,575,700, following an increase of 16% in 1977.

The company is a subsidiary of Toyota Motor Co. and Toyota Motor Sales Ltd. of Japan which reported '78 worldwide sales of $12.76 billion, up over $11.16 billion for '77; earnings, however, were down from the 1977 total of $569,645,000 to $567,249,000.

In the U.S., which accounts for 40% of the company's exports, Toyota maintained its position in '78 as the best selling import car and truck. The Japanese auto maker continued the sales pace established three years ago when Toyota overtook Nissan's Datsun import for the No. 1 spot and sold 536,682 units in '78—441,800 cars and 94,882 trucks—to put its share of the import car market at 22%.

The Corolla model again was Toyota's sales leader, but the volume of Celica sales continued to grow and now accounts for more than 31% of Toyota's total sales.

1978 AD $ SUMMARY
See page 137
LNA

Testing or just talking? Make your best impression with Donrey Outdoor.

We'll put your message on big, bright, modern structures at strategic locations in nine dynamic growth markets. Four of our markets – Albuquerque, Oklahoma City, Tulsa and Wichita – are top-rated testing markets.*

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*Dancer-Fitzgerald-Sample's 50 recommended test markets, 1978.

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MARKETING PROFILES

Toyota continued its racing involvement with Pro/Celebrity Races for Charity at both the Long Beach Grand Prix and the Toyota Grand Prix of the U.S. at Watkins Glen. Toyota also served as the official pace car at both races.

Spot tv, newspapers and radio were used in major northeastern markets to support the company's full sponsorship of the Toyota Grand Prix of the U.S.

The company also began sponsoring another type of racing in '78—stadium motocross events. In addition to being the official truck of Team Yamaha, Kawasaki and Suzuki, Toyota also served as a primary sponsor of the $500,000 Toyota/AMA Supercross Series for '79.

And despite being headquartered on the West Coast, Toyota maintained its sponsorship of telecasts of New York Yankee baseball games in '79. The company also sponsored a series of 13 one-hour weekly radio shows.

■ During '78, the company launched its "$1,000,000 Dash for the Olympics" promotion, a contribution to the U.S. Olympic Committee to help U.S. athletes train for the Moscow Olympics in '80.

The promotion was an initial effort to build a long term franchise for Toyota's $10,000,000 sponsorship of the Moscow games. This represents a substantial boost over the company's $1,600,000 tv sponsorship of the '76 Olympics.

On the heels of the Olympics promotion came a $1,000,000 contribution from Toyota (to celebrate its 20th year in the U.S.) to be used for programs to promote close U.S.-Japanese relations.

The company stayed with its "You asked for it, you got it, Toyota," ad theme last year, using the challenge, "If you can find a better built small car than a Toyota, buy it," as a backup theme.

A redesigned half-ton truck was introduced for 1979 and, at mid-year, a 4x4-pickup and a new, longer and more powerful Celica—the Supra—were added to the Toyota line. The ad effort supporting the introduction of the mid-year models was the biggest new product announcement in the company's history.

Founded in 1937, the parent Toyota Motor Co. Ltd. today encompasses 12 subsidiaries bearing the name Toyota or Toyoda (the actual family name). Besides automotive products, the company manufactures machinery tools, fork lifts, spinning and weaving machines, cotton yarns, fabrics and synthetic yarns.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$8,367,200	$6,160,500
Magazines	8,943,100	6,058,200
Spot tv	20,195,900	13,294,800
Network tv	15,022,600	12,129,600
Spot radio	3,351,000	2,482,000
Outdoor	1,195,900	1,550,800
Total measured	57,075,700	41,675,900
Unmeasured	7,500,000	7,500,000
Estimated total	64,575,700	49,175,900

MARKETING PERSONNEL

N.D. Lean, sr vp, genl operations mgr
H.A. Bracken, natl sales mgr
A.E. Hagen, corp mktg mgr
E.B. Brogan, natl adv-pr mgr

ADVERTISING AGENCY

Dancer Fitzgerald Sample, Torrance—Stuart Upson, chairman-chief exec; Norm Lauchner, managing director; Jim Lindsey, mgmt super.

Trans World Corp.

	1978	1977
Sales	$3,695,000,000	$3,389,300,000
Earnings	86,600,000	57,300,000
Advertising*	37,500,000	36,750,000

***Estimated by AA**

Trans World Corp., New York, the 85th largest national advertiser, increased its advertising by about 2% to $37,500,000 in 1978.

Widebody 1011
It's the only way TWA flies to California
TWA

TWA emphasized its routes to the Southeast and Southwest to help boost traffic during weak winter months.

Spending for Trans World Airlines alone totaled $36,267,695 in 1978, up from $35,642,115 the previous year. The remaining ad support went to Trans World's major subsidiaries, Canteen Corp. and Hilton International Co.

Corporate earnings reached an all-time high of $86,600,000, up 51% over 1977, while sales rose 9% to $3.69 billion.

The airline and two major subsidiaries, Canteen Corp. and Hilton International Co., were restructured during the year to become subsidiaries of a new parent company known as Trans World Corp., effective Jan. 1, 1979.

TWA's chairman and chief executive officer, L. Edwin Smart, said that the new structure should provide a strengthened basis for dealing with financial affairs and greater flexibility for over-all operations.

While the airline, along with most of the aircraft industry, experienced disappointing traffic growth and unfavorable profits in the final months of 1978, it recorded increased annual profits for the third year in a row (TWA lost $86,279,000 in 1975).

The pre-tax earnings of the airline increased 29% over 1977, to $35,100,000. Canteen Corp. overcame severe product cost inflation to record pre-tax profits of $21,700,000, a 5% decrease from 1977, but still the second best year in Canteen's history. Hilton's pre-tax earnings rose 37% above those of 1977 to $44,400,000, the best in its history.

Major steps were taken to expand the airline's route system. Several new routes were added and applications for others were filed. TWA placed emphasis on routes to the Southeast and Southwest where traffic patterns will help offset the airline's seasonal revenue cycle by increasing traffic during the historically weak winter months.

In addition, route and schedule adjustments were made to provide increased traffic at TWA's key midwestern airports, Kansas City and St. Louis.

Orders for new aircraft and equipment totaling $300,000,000 were placed in 1978. This includes 10 Boeing 727-200 jets for delivery in October 1980, as well as three Boeing 747SP long-range widebody jets, also for delivery in 1980. In addition, the airline has acquired options for 30 more 727s and six 747s for delivery in 1981 and 1982.

TWA also has options for 11 additional Lockheed 1011 widebody aircraft, and was scheduled to accept delivery during the spring months of 1979 of seven Boeing 727s ordered in 1977.

The new acquisitions were a partial step taken to remedy one of the problems facing the airline in the future. This is the fact that almost half of its 232-plane fleet consists of older Boeing 707s. By 1981, many of these will be too noisy to meet the government's increasingly strict noise regulations and so may have to be grounded.

The company's passenger traffic growth of 9.5% exceeded its capacity growth of 1.9%, and this contributed to an increase to 63.2% (from 57.4%) in its passenger load factor (the percentage of seats occupied by paying passengers).

■ The airline introduced a "check in once and get two seats" passenger service feature aimed at keeping travelers flying TWA roundtrip. By making it possible to obtain seat selection and boarding passes for return or connecting as well as originating TWA flights, this service reduced the amount of time passengers had to spend in airport lines.

A special computer check-in system was installed to handle the procedure when the passengers first arrived at an airport to pick up the two boarding passes.

TWA dropped its controversial three-class service in December due to a lackluster reception by business travellers and budget-fare passengers. The fare package had been initiated in October. The service provided segregated seating, higher-priority check-in, beefed-up meal choice and extra service for the business traveler.

On the same day that TWA announced the discontinuation of the three-class service, the airline also unveiled two new promotional fares for the slack months of February and March. A child between the ages of two and 11 could fly free when accompanied by an adult during that period, and a full-fare passenger could bring along a companion for 50% of the existing coach fare. The airline also relaxed the length-of-stay restrictions on its Super Saver fares.

At mid-year, TWA's in-flight and ground service personnel began wearing distinctive new uniforms created for the airline by fashion designer, Ralph Lauren. The new uniforms, along with newly refurbished interiors for much of TWA's fleet of aircraft, were intended to give the airline a crisper, more professional appearance.

The airline currently is hiring and training several hundred new pilots, flight attendants, maintenance personnel, sales and reservations agents and baggage-handling employes to keep pace with the airline's growth expectations.

The new uniforms, interiors, and personnel hiring reflected a shift in TWA's promotion emphasis away from discount-fare packages and toward improved service. In early 1978, TWA began a new umbrella ad campaign with the theme, "TWA: The great airline to the great cities."

Of greater significance to the advertising industry was TWA's shift, on April 12, of its $30,000,000-plus advertising account to Ogilvy & Mather. Previously the TWA account had been handled by Wells, Rich, Greene. But WRG sacrificed it to acquire Gordon & Shortt, Dallas, and that company's account with Braniff.

ADVERTISING EXPENDITURES*

	1978	1977
Newspapers	$11,224,400	$12,515,100
Magazines	1,731,900	1,618,300
Spot tv	7,720,900	7,739,400
Spot radio	3,842,000	3,730,000
Outdoor	54,600	674,800
Total measured	24,304,900	26,389,600
Unmeasured	13,195,100	10,360,400
Estimated total	37,500,000	36,750,000* ·

***From AA's usual sources · Restated**

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$12,622,350	$12,347,039
Magazines	2,704,789	2,645,794
Spot tv	10,518,625	10,289,199
Spot radio	3,906,918	3,821,702
Outdoor	300,532	293,977
Total measured	30,053,214	29,397,714
Unmeasured	6,214,481	6,244,401
Estimated total	36,267,695	35,642,115

****From Trans World Corp., for airline only**

TRANS WORLD AIRLINES

MARKETING PERSONNEL

D. M. Casey, senior vp, mktg
D. J. Ryan, vp, sales and services
B. J. Kennedy, vp, adv & sales

ADVERTISING AGENCY

Ogilvy & Mather, New York—domestic/-international passenger services—Graham Phillips, mgmt representative; John Heston, intl mgmt super; Max Bisset, mgmt service super; Ira Berkowitz, vacation mktg super

HILTON INTERNATIONAL CO.

MARKETING PERSONNEL

W. F. Prigge, vp-mktg
R. H. Braun, adv director
Fred Ruoff, director, corp communications
R. H. Treseder, adv mgr (London)
Peter Schulze, adv mgr (New York)

ADVERTISING AGENCY

Lord, Geller, Federico, Einstein, New York—Al DeJonge, acct exec.

CANTEEN CORP.

MARKETING PERSONNEL

P.S. Ridgeway, vp-mktg

ADVERTISING AGENCY

Martin E. Janis & Co., Chicago.

UAL Inc.

	1978	1977
Sales	$3,890,298,000	$3,267,282,000
Earnings	302,255,000	135,090,000
Advertising	50,624,437	30,310,200

UAL Inc., Elk Grove Township, Ill., the nation's 73rd largest national advertiser, upped its ad budget by a whopping 67% in 1978 to $50,624,437.

UAL Inc. is the parent of United Airlines, Western International Hotels and GAB Business Services. The three companies tallied up sales of $3.9 billion in 1978, a 19% increase over the previous year. Net earnings soared 124%—to $302,255,000 from $135,090,000 the year before.

United Airlines, the nation's largest airline and UAL's largest subsidiary, can take credit for a good deal of that profit record. The '78 skies were bright for United—and only turned cloudy with labor and DC-10 problems in 1979. Last year, United pulled in $284,301,000 in net earnings, a 286% surge over '77's restated earnings of $73,694,000.

■ The past year saw some significant shifts in United's executive suite. President-chief executive officer, Richard J. Ferris, took over as chairman and Percy Wood became president-chief operating officer. In marketing, Howard Putnam, group vp-marketing, moved to Southwest Airlines as president and was succeeded at United by William C. Speicher.

With Mr. Ferris at the controls, the corporation complied with the exec's plea urging increased utilization of the United fleet.

With some switches in schedules, and a host of super saver offers, United's revenue passengers were up 16.5%, its revenue passenger miles up 19.5% and 129 flights were added daily. Daily departures hit 1,700, providing 20% more seats.

In the congested 1978 airline market, United held a 24% share of revenue passenger miles—an increase of 1.5% over 1977, according to the airline.

In trunk airlines' ranking, United shimmied up to the No. 3 rung—from 6th in 1977, in terms of return on investment.

■ Long an advocate of airline deregulation, United saw its crusade through the Civil Aeronautics Board, Congress, on up to Jimmy Carter and his White House. With the passage of the Airline Deregulation Act of 1978, an airline can add any destination to its route unless it can be proved it is not in the public interest to do so.

So the first thing the company did was to claim—under a provision of the new deregulation law—a route between Buffalo and Orlando which was certified to another carrier but which the other carrier did not operate.

Then United received government approval on a Seattle/-Portland to Hawaii route. The airline heralded introduction of this new Pacific route with an "Aloha Fare" that offered savings of up to 70% of regular rates. The offer ran from Nov. 1 through Nov. 19.

While other airlines confused everyone with special treatment for the business traveler, United opted to offer 20% off first class fares. After the first of the year, but before the strike, the airline applied to the CAB for a 10% increase in its Super Saver discount and a 5% increase in its Freedom Fare discount. Increasing the discounts lowered the cost to passengers and they filled empty seats during the traditionally slow February and March period.

■ Last year, the world's largest airline stunned the rest of the industry with a record purchase of new aircraft—to the tune of $1.6 billion. As part of that order, United bought 30 new 767's the first of which should be in the air by mid-1982.

With the buy transacted and scheduling revamped, United appeared to face clear skies at the start of 1979.

Then at the end of March, the airline was grounded with a thud when its machinists went off on strike, forcing the airline to shut down for 58 days.

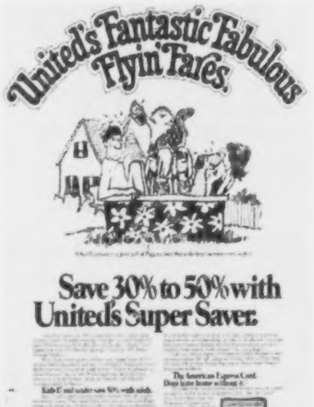
■ Once back in the skies, United sent its competitors scrambling as it charged back with an offer of half-fare coupons. American reluctantly jumped on the coupon bandwagon, while the other airlines respectfully declined.

The coupons became the craze and, according to United, the ploy fulfilled the company's expectations, and planes' seats.

For the summer months, United pulled a rash of super saver fares for the whole family—and with special deals for kids, now under 18-years of age. (The cut-off age of child and adult used to be 12).

Of United's passenger advertising, $9,401,500 went into network tv, $8,378,600 into spot tv and $2,263,200 into magazines. The company spent $1,200,000 on freight advertising in magazines and newspapers.

■ Western International Hotels had a record year in 1978, although net earnings slipped a bit to $14,468,000 from $16,037,000 in '77. The chain now numbers 49 hotels in 13 countries. Operating revenues were up in '78 to $330,231,000,


United's Fantastic Fabulous Flyin' Fares.
Save 30% to 50% with United's Super Saver.
Fly the friendly skies of United.
Call your Travel Agent.

During the year, UAL Inc. entered United Airlines' "Fantastic Fabulous Flying Fare" into the industry's maze of discount fares.

a 26% jump over 1977's tally of $262,510,000. The Western International chain spent $1,477,700 in the six measured media in '78.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$13,363,700	$8,029,900
Magazines	4,391,300	2,933,200
Spot tv	8,379,100	7,109,600
Network tv	9,401,500	7,437,000
Spot radio	3,740,900	2,378,000
Outdoor	250,200	84,100
Total measured ..	39,526,700	27,971,800
Unmeasured	11,097,737	2,338,400
Estimated total ...	50,624,437	30,310,200

MARKETING PERSONNEL

United Airlines

W. C. Speicher, group vp, mktg services
J. R. Zeeman, vp, passenger mktg
P. G. Golbitz, vp, mktg-eastern div
R. M. Smith, vp, mktg-central div
J. E. Goodwin, vp, mktg-western div

Western International Hotels

B. H. McKibbin, senior vp
D. R. Evans, vp
B. Newman, vp

GAB Business Services

D. W. Carroll, vp
J. J. Nigro, secretary

ADVERTISING PERSONNEL

United Airlines

F. W. Heckel, vp, adv & promo
W. F. Alenson, director, adv & promo
A. E. Sortwell, mgr, adv-eastern div
W. D. Groundwater, mgr, adv-central div
L. A. Small, mgr adv-western div
J. P. Grember, mgr, special projects
R. J. Piggot, mgr, graphic services

Western International Hotels

R. D. LaRue, director, adv & promo
Barbara Sand, mgr, adv

GAB Business Services

J. J. Nigro

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—United Airlines—Dave Smith, mgmt director; Jim Thompson, acct super; Jim Dotter, John Goad, John Phillips, acct directors; Ron Gudinskas, Dick Treat, Dave Palmer, acct execs.

Cole & Weber, Seattle—Western International Hotels—Lee Bartlett, exec vp; Pete Hatt, John Cleson, vps; Sharon Lee, acct mgr.

Doremus & Co., New York—GAB Business Services.

Unilever U.S. Inc.

	1978	1977
Sales	$1,812,000,000	$1,355,072,000
Earnings....	36,000,000	35,610,000
Advertising*	145,000,000	145,000,000

*AA estimate

Unilever's U.S. subsidiary, Unilever U.S. Inc. (which includes Lever Bros., New York, and Thomas J. Lipton Inc., Englewood Cliffs, N.J., but excludes industrial subsidiaries), was the 18th largest national advertiser in 1978 with estimated ad spending of $145,000,000, the same amount it spent in '77.

Sales increased to $1.8 billion from $1.3 billion, while earnings increased to an estimated $36,000,000.

Lever Bros., had sales of $860,800,000 in 1978, a record, while operating profits registered an $11,000,000 loss. The company attributed the loss to what it termed three positive actions taken by the company during '78: A huge investment to launch Signal mouthwash nationally; the decision to close, over the next three years, the production operation at the Edgewater plant, which had become uneconomical, and the ongoing "Project Change," a broad-scale program that encompasses Lever's commitment to the improvement of its efficiency through plant modernization.

The acquisition of the National Starch Chemical Corp. by Unilever was approved by stockholders of National Starch on Aug. 15, 1978, and was completed on that date.

- The company reported that 1978 was a turnaround year for household products, Lever's largest business unit. Last year showed a considerable rise in volume, primarily due to increased sales for laundry detergents, toilet bars, Final Touch and dishwasher All.

Wisk, the nation's No. 1 heavy-duty liquid laundry detergent, sold more than 10,000,000 cases, making it the largest single brand in Lever history, as well as the top-selling soap or detergent throughout the worldwide Unilever organization. According to Leading National Advertisers, Lever spent $10,458,500 promoting Wisk, all in tv, as it did last year.

Concentrated All, Lever's second largest brand, had a good year and remains the country's No. 1 low-sudsing laundry powder, outselling P&G's Dash more than two-to-one. Lever spent $8,187,100 promoting All powder detergent in 1978, and $1,012,100 on the liquid form.

The company reported increased sales in 1978 in its toilet bar sales, primarily due to Dove, Caress and Lifebuoy. Measured advertising expenditures for these three soaps were $5,029,400, $3,172,900 and $2,341,600, respectively.

- Sales for the personal products business were reported at record levels for the fifth consecutive year, largely due to the successful national introduction of Signal mouthwash.

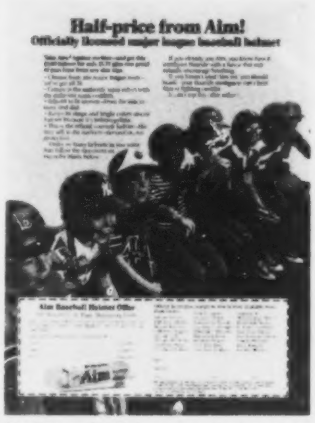
The company reports that Signal's success was achieved despite hard-hitting competitors who greatly increased their promotion levels and even copied Signal's tv advertising theme (*i.e.*, effective against strong odors like garlic and onions). Lever invested $6,862,800 in measured advertising for Signal in 1978.

In the same division, sales volume of Aim, Close-up and Pepsodent continued to grow in 1978. Measured advertising for Aim amounted to $13,742,000 in 1978 (vs. $13,470,000 in '77); for Close-up, $10,586,000 (in '77, $10,924,100) and for Pepsodent, $3,470,000 (with $4,008,000 in '77). Pepsodent toothbrushes maintained the No. 1 position in the marketplace.

- The foods business unit achieved improved sales over 1977. Volume for the Imperial margarine line increased even though Lever phased out Imperial Light-Blend. Promise margarine was restaged in its strong share areas with new packaging and advertising.

Measured advertising for the two margarine brands totaled $5,472,800 for Imperial ($6,000,000 a year ago) and $1,702,300 for Promise, (up from $850,000). Lever's other margarine, Autumn, spent $144,900 in measured advertising, down from $305,000.

Mrs. Butterworth's syrup enjoyed another record year and after a neck-and-neck race with Aunt Jemima took over the No. 2 spot in the pancake syrup market, Lever invested $2,536,300 in advertising in 1978 for Mrs. Butterworth.



Unilever U.S. Inc. used a baseball tie-in to promote its Aim toothpaste.

Lipton had sales of approximately $617,000,000 in 1978, an increase from $574,572,000 in 1977. Lipton announced the acquisition of Lawry's Foods effective July 6, 1979. Lawry's is engaged in the development, manufacture and sale of a general line of specialty food products. Its ad budget is estimated at $7,500,000.

- Lipton spent $5,455,300 promoting its tea bags in 1978 and another $2,882,700 pushing its regular, instant and ice tea mixes. The company also spent $180,700 on its Filter Blend tea, which was introduced in '77 and works in automatic coffee machines.

During 1978, Lipton test marketed Lipton flavored tea bags in five varieties—cinnamon, orange and spice, lemon and spice, mint and black rum. The flavored tea market is estimated as a $20,000,000 to $30,000,000 market that R.C. Bigelow Inc. has "owned" for many years.

Lipton's campaign, which featured a five variety sampler, was created by SSC&B, and backed by $637,000 in measured media.

Lipton introduced Lipton Lemon Tree Powder mix into the $530,000,000 powdered drink market during 1978. This product is a powdered version of the canned lemonade flavored drink launched last year via local bottlers.

Lemon Tree is getting tv, newspaper supplement and couponing support, with the media budget reportedly at about $5,000,000 for this year. The account is handled by SSC&B. During 1978, the Lemon Tree advertising expenditure was $1,103,600.

The soup market is Lipton's second major area of concentration, consists of canned, dry mix and single serving dry products all vying for pretty much the same customers.

Ad spending in these categories was $3,191,800 for the dry mix products and $5,984,100 for single serving entries, which includes Lite-Lunch Instant Meal in a Mug introduced in 1977.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$3,982,200	3,574,700
Magazines	11,322,600	7,160,800
Spot tv	39,137,400	35,926,600
Network tv	60,507,900	68,418,300
Spot radio	522,300	264,000
Outdoor	48,800	—
Total measured ..	115,521,200	115,344,400
Unmeasured	29,478,800	29,655,600
Estimated total ...	145,000,000	145,000,000

LEVER BROTHERS CO.

MARKETING PERSONNEL

Richard C. Butler, media director
Michael J. Naples, mkt rsch director
Robert J. Kenney, genl sales mgr, operations and planning
Edward L. Kiefhaber, genl sales mgr, field sales

HOUSEHOLD PRODUCTS DIVISION

John R. Cookson, vp, genl mgr
Arthur C. Unger, vp, mktg
Robert P. Johnson, director, mktg
Richard A. Schreiber, director mktg
Adrian DeGroot, Peter J. Flatow, Byron D. Ford, Richard F. Gaccione, mktg mgrs
George J. Franzen Jr., director, sales planning

PERSONAL PRODUCTS DIVISION

James A. Lynch, vp, genl mgr
Gregory H. Cheskin, director mktg
David G. Knight, Carl J. Napor, Paul E. Regan, mktg mgrs
Seymour Molbegott, promo devel director
Patrick J. Peters Jr., director sales coordination

FOODS DIVISION

John S. Budd, vp, genl mgr
Whitney J. Coombs, Henry M. Picken Jr., mktg mgrs
William A. O'Brien, director, sales planning

SPECIAL MARKETS DIVISION

John J. Clark, vp
Richard H. Schaefer, merch mgr
William M. Kirkpatrick, sales mgr

INDUSTRIAL DIVISION

Conrad W. Petersen, genl mgr
James J. Reilly, sales mgr (detergents & toiletries)
Joseph P. Kysel, sales mgr (chemical & edible)
William C. Schneider, detergent products mgr
Fred Eber, edible products mgr

ADVERTISING AGENCIES

BBDO, New York—Wisk, Breeze, Lux Liquid, Phase III, Caress, Promise, Mrs. Butterworth's, Signal—Jack Thorne, Ken Rogers, Dick Bonnette, mgmt supers.

Ogilvy & Mather, New York—Final Touch, Dove Beauty bar, Aim, Imperial margarines, Lucky Whip—Cliff Angers, senior mgmt super; mgmt supers: Gary Wald (Dove), John Aymat (Final Touch, Imperial); Jack Reed (Aim).

SSC&B Inc., New York—All, Lifebuoy, Pepsodent (dentifrice, toothbrushes)—Hal Hanenson, John van de Keift, Pat Price, acct supers, Linda Riley, Edward Keating, acct execs.

J. Walter Thompson Co., New York—Drive, Rinso, Dove Liquid, Lux Beauty soap, Close-up, Denim—Ken Robbins, group acct director; Steve Bowen, Garth Hallberg, mgmt supers.

Sudler & Hennessey, New York—professional programs—Bob Brancaccio, Peter Christofer, acct execs.

National Export Advertising Service, New York—Aim, All, dishwasher All, Liquid All, Breeze, Mrs. Butterworth, Caress, Close-up, Dove Liquid, Dove bar, Drive, Final Touch, Imperial, Lifebuoy, Lux Liquid and soap, Pepsodent, Rinso, Wisk, Rexona (for overseas markets)—Horacio Alban-Mestanza, acct super; Thomas Hughes, mgmt super.

Richard-Lewis Corp., Scarsdale, N.Y.—Industrial and institutional products—R. I. Byer, mgmt super.

THOMAS J. LIPTON INC.

MARKETING PERSONNEL

Hubert M. Tibbetts, president
Derek J. Carroll, vp, mktg services
D.W. von Arx, senior vp, mktg
G.B. Boyeks, vp, beverage div
Jim Benson, vp, foods div
James Reid, genl mgr, frozen foods
Norman Osborn, director, media
H.F. Anderson, director, adv
J.E. Bradley, director, mkt resch
Arthur Gonis, director, product mgmt, tea
Dave Bell, director, product mgmt, soups & meals
Rick Kundrat, director, sales promo & coordination
Blaine Hess, director, food service products
Anthony Montuori, director, product mgmt, desserts & condiments
Theodore Labiner, associate director, canned foods, pasta
Al Carlson, director, new food products
Chuck Wiggs, associate director, bottlers concentrate
Dan Morrison, director-product mgmt, new beverages

ADVERTISING AGENCIES

Young & Rubicam, New York—Lipton regular soup mixes, Lite-Lunch—James Cobb, mgmt super; John Macleod, acct super; Terence LeFebvre, Sandy Mitchell, acct execs.

Ross Roy New York/Compton—A. Sahadi & Co. division, Grocer's Choice fruit snack—Herb Warden, mgmt super.

Albert J. Rosenthal & Co., New York—food service and military divisions—Neal Waldman, exec vp, Marvin Haas, acct super.

Lee King & Partners, Chicago—Pennsylvania Dutch noodles, Knox gelatin, new products, Wish-Bone salad dressings—Jerome Reshkin, Robert Immen, mgmt supers; Joe Lapcewich, acct super, all brands; Hank Barker, acct super, Wish-Bone; Tarish Wood, acct super, Knox gelatin, Pennsylvania Dutch noodles; Joe Felbab, acct exec, Wish-Bone.

SSC&B Inc., New York—Lipton's iced tea, instant tea and regular tea, Lemon Tree mix, Bottler's Concentrate, tea new products, Make-A-Better Burger, Spatini, Cup-A-Soup—Beverage group: Ned Parket, mgmt super; Richard Bolten, acct super, instant, iced, convenience teas, Lemon Tree mix; Kevin Franz, acct exec, instant, iced, convenience teas; George Keenan, acct exec, Lemon Tree mix; Karen Tatum, acct super, regular, flavored, filter blend teas, Bottler's Concentrate, new products; Gene Controno, acct exec, Bottler's Concentrate; Beth Green, acct exec, teas, new products. Soup group: Linda McCreight, acct exec; Frank Doyle, acct super, Make-A-Better Burger, Spatini.

LAWRY'S FOODS

Los Angeles

MARKETING PERSONNEL

Dan Wynne, mktg mgr

Advertising Agency

Dailey & Associates, Los Angeles—Lawry's salts, pepper, herbs, garlic spread, spaghetti sauce mix, baconion, seasonings and gravy mixes, liquid salad dressings, salad dressing mixes, institutional products—Phil Joanou, acct exec.

NATIONAL STARCH & CHEMICAL CORP.

Bridgewater, N.J.

MARKETING PERSONNEL

Robert DeWolfe, vp, National Adhesives

ADVERTISING AGENCY

Marsteller Inc., New York—Michael Aldrich, acct super.

Union Carbide

	1978	1977
Sales*	$7,869,700,000	$7,036,100,000
Earnings* ..	394,300,000	385,100,000
Advertising*	51,103,764	46,100,000

*Worldwide *U.S. Only

Union Carbide Corp., New York, the 72nd largest national advertiser, increased its advertising 10.9% to $51,103,764 in 1978, in a year when Eveready batteries were responsible for substantial gains in sales of

1978 AD $ SUMMARY

See page 137

LNA

LAS VEGAS

REVIEW-JOURNAL
HIGHEST CIRCULATION OF ANY NEWSPAPER IN NEVADA
73,746 Daily
80,456 Sunday

SUNBELT BUYING POWER

34th Retail Sales Per Household
$13,100 per Las Vegas household ... there are approximately 150,000 households.

39th Consumer Spendable Income Per Household
CSI per household is $20,833 ... and, 41.1% of Las Vegas households have earnings of $25,000 or more.

87th Total Retail Sales
$2.9 billion in 1978 ... a 17% increase over the previous year.

100th Population
450,361 today and growing at the rate of about 10% per year. Las Vegas ranks 3rd nationally in housing growth!

For your marketing package on our "Top 100" Sunbelt Market, call or write
Trudy Patterson, Nat'l Adv. Mgr., Las Vegas Review-Journal, P.O. Box 70, Las Vegas, NV 89101
(702) 385-4241, Ext. 272

MARKETING PROFILES

consumer products and received the largest portion of Union Carbide's advertising dollar.

Sales worldwide hit a record $7,869,700,000, up 11% from 1977, with the U.S. sales comprising about 68% of that figure. Earnings were up 2% to $394,300,000. Sales of consumer products rose 13% to $1,356,000,000, while earnings rose 22% to $178,000,000.

Union Carbide manufactures chemicals and plastics (37% of 1978 sales and 36% of income); gases and related products (16% and 19%); metals and carbons (18% and 19%); batteries, home and automotive products (17% and 21%), and specialty products (12% and 5%). International operations accounted for 32% of sales and 27% of operating profit in 1978.

- One of the largest producers of chemicals in the U.S., the company is known to the consumer primarily through Prestone auto products; Glad plastic bags and wrap; Eveready batteries, flashlights and lamps, and Simoniz waxes and polishes.

Union Carbide spent 64% of its measured ad dollars in tv, with printed media getting 28%, radio 7% and outdoor 1%. In 1977, 73% went into tv, with 20% going into print.

For the first time in recent years, the Eveready product line outspent the Glad line, making it Union Carbide's No. 1 ad spender. Ad support for the battery brand was $9,118,900 (80% in tv, 13% in print), up 65% from 1977.

- Eveready continued to focus the majority of its ad expenditures behind the fast-growing Eveready Alkaline Power Cell. Tv spots again pitted a combative Robert Conrad against skeptical consumers, daring consumers to call the Eveready Alkaline a "regular battery."

The heavy network tv schedule was supplemented in the second half of 1978 by spot tv and outdoor in major markets. Promotions included a $1 cash refund offer which was delivered to over 33,000,000 homes via Sunday supplements in October, and a 20¢ store coupon delivered in December in r.o.p. newspapers to over 30,000,000 homes. Eveready's agency is William Esty Co.

The Glad line of plastic bags and wrap got $7,090,300 in measured ad support in 1978, about the same as in 1977. The Glad two-ply trash bag, introduced in 1977, continued its tv campaign describing the new product "like a bag-in-a-bag--two mils thick, strong and puncture resistant." Support was extended to national radio during the fall of 1978.

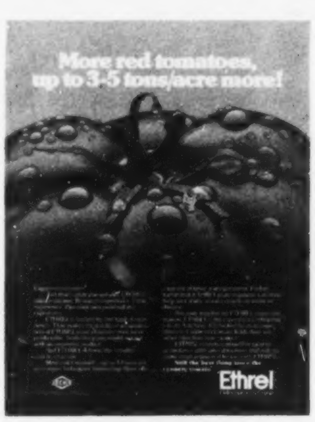
- Prestone automotive products received $2,924,700 in measured ad support last year, down (again) from the $3,661,000 spent in 1977.

Union Carbide launched its Prestone tv campaign to coincide with the start of fall sports; ads told consumers to "take out the old, put in the two, put in Prestone, Prestone Two," stressing the importance of a fresh fill of Prestone II anti-freeze for maximum protection.

A new product, Prestone Super Flush, was introduced in 1978. Packaged in a miniature Prestone jug, the new product was supported with television tags on Prestone commercials. Leo Burnett Co., Chicago, was named the new Prestone agency in February, 1978, replacing Ogilvy & Mather.

The Simoniz line of car waxes was supported by measured media dollars totalling $698,600, down from the $800,000 spent in '77. The brand was advertised in magazines ($382,000), on radio ($241,700) and tv ($74,200).

Union Cabide general promotion got $2,474,900, all in magazines, to support its "Working with nature today, for the resources we'll need tomorrow" campaign. Ads told of the many products and basic materials Union Carbide makes that go into the making of such things as cars, sporting goods and communications equipment.



Union Carbide's Amchem division advertised Ethrel plant treatment in farm publications.

At the end of 1978, this campaign was dropped in favor of a new "issues" campaign, which features original opinion research commissioned by the company, as a part of its attempt to get involved in the ongoing dialogs on issues important to the nation as well as business.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$2,064,900	$2,026,500
Magazines	3,614,300	1,820,800
Farm publications .	1,706,000	434,500
Spot tv	1,533,300	636,100
Network tv	15,601,100	13,477,500
Spot radio	1,458,300	367,000
Network radio	447,400	194,300
Outdoor	243,600	271,100
Total measured ..	26,668,900	19,227,800
Unmeasured*	24,434,864	26,872,200
Estimated total	51,103,764	46,100,000

***Includes cost of collateral literature, in-house staffing and communications overhead.**

MARKETING PERSONNEL

Corporate

M. C. Lewis, director, corp communications
E. S. Aldrich, adv manager
R. L. McElree, genl mgr, mkt & special services

Divisions

W. J. McDermott, director, adv/sales promo, home & automotive products div
G. D. Klein, mktg. mgr. adv, battery products div.
J. A. Bruorton, mgr. adv & mktg admin, electronics div, components dept
B. Godowsky, mgr. adv, U.C. Imaging Systems, medical products div
Athena N. Arvan, adv services, clinical diagnostics medical products div
John Gibb, mgr. communications & training, carbon products div
J. D. Secor Jr., mgr. communications, Linde div
J. W. Goetz, director communications dept, chemicals & plastics
James F. Haskins, mgr. mktg communications, agricultural products
John Crane, communications mgr, metals div

ADVERTISING AGENCIES

Young & Rubicam, New York—corporate—H. B. Hall, acct super.

Underwood Jordan Yulish Associates, New York—corporate issues—Earl Slack, acct super

William Esty Co., New York—battery & lighting products—R. Van Den Boschm, mgmt super; S. Moynahan, acct super.

Keller Crescent Co., Evansville, Ind.—carbon products div.

Grey Medical Advertising, New York—medical products div—Paul Chusid, president.

Fletcher/Mayo/Associates, Atlanta—agricultural products div (insecticides)—Ridge White, acct super.

Needham, Harper & Steers, New York—chemicals & plastics—H.F. Bertaku, acct super

Poppe Tyson division of de Garmo Inc., New York—chemicals, plastics & Linde div engineering products & processers—R. L. Parkin, F. Messner, acct execs.

J. P. Hogan Inc., Knoxville, Tenn.—chemicals and plastics—R. J. Luedeka, acct super.

Leo Burnett Co., Chicago—home & automotive products, Glad products, films-packaging div—Bill Haljun, mgmt director; Ed Sessions, Ron Hirasawa, acct execs. Prestone automotive products—Jeff Herscovitz, acct super; Tom Dudreck, acct exec.

Young & Rubicam special markets div., New York—Linde div—N. B. Leo, acct super; D. Sutton, acct exec.

Garrison, Jasper, Rose & Co., Indianapolis—Linde div, coatings service dept—Tom Jasper, D. Casselman, acct exec.

Henderson Advertising, Greenville, S.C.—home & automotive products, Simoniz products—Paul Murdock, acct super; Tom Vaughn, acct exec.

Avrett, Free, & Fischer, New York—Ed Fitzgerald, acct super.

Scammell Associates, Boston, Mass.—U.C. imaging systems, medical products div—Henry Scammell, acct exec.

Lewis & Gilman, Philadelphia—agricultural products div (herbicides, plant growth regulators)—Dennis Eilers, acct super.

Richardson, Myers & Donofrio, Baltimore—agricultural products div (lawn products)—John Green, acct super.

Anderson, Dunston & Helene, Linden, N.J.—molecular sieve absorbents & catalysts—Steve Dunston, acct super; Bert Riche, acct exec.

Manning & Associates, San Diego—materials group, electronics div—D. Manning, acct mgr.

U.S. Government

	1978	1977
Sales	**None**	**None**
Earnings ...	**None**	**None**
Advertising	**$128,452,200**	**$116,235,954**

Reinforced military recruitment ad budgets sent the federal government's advertising total up 10% in 1978, a boost that ended a three-year string of more modest annual increases. The $128,452,200 that the government spent in 1978 made it the year's 25th largest national advertiser.

Troubles at the recruiting office are the major cause of upward pressure on federal ad spending, but not the only one.

The U.S. Postal Service is rapidly escalating its ad spending, with its market tacticians putting real ad muscle behind Express Mail service, the USPS entry in the lucrative overnight, long distance delivery market.

The continuing energy crisis looms as another influence on the government's advertising presence. The Energy Department last year took its first tentative steps toward testing the ability of paid advertising to get Americans to buy energy saving devices. The potential of a multi-million-dollar campaign for 1980 was being discussed this summer.

- The Agriculture Department, also looking into paid advertising, has let a $500,000 contract to a Cambridge, Mass., research institute and Needham, Harper & Steers, New York. They are developing a test campaign using paid ads to encourage better eating habits among children. Media plans and test markets are to be designated.

But the needs of the military remain the overwhelming determinant of the size of the federal ad budget. Nine military recruiting accounts spent more than four of every five government ad dollars in 1978.

It was the government's decision to scrap the draft in the early 1970s and rely on an "all volunteer" force that turned the federal government, almost overnight, into one of the ten largest advertisers in the country.

By 1978, however, enlistment shortfalls stubbornly refused to decline. In early 1979, for the first time ever, all four armed forces failed to meet their targets as the Air Force joined the Army, Navy and Marines in recruiting trouble. There was talk of reviving the draft.

- The problem has been most acute with Reserve and National Guard units, many of which are dangerously understrength. Never very large, advertising budgets for those services racked up big percentage increases in 1978 as marketing tactics changed: A 39% boost for the Army and Air National Guard, 36% for the Army Reserve Officers Training Corps and 33% more for the Army Reserve.

The increases put the Guard budget last year at $6,505,000, the Army ROTC at $4,900,000 and Army Reserve at $9,600,000.

The Regular Army recruitment ad budget, always the biggest account in the government, moved up 4% to $36,300,000. The Marine Corps, with fewer "glamorous" technical jobs and more combat places to fill, stepped up spending by 22% to $12,151,209 in 1978. The Air Force, where ad spending was actually cut in 1977, posted an 11% hike last year to $8,300,000.

The Navy, the government's second biggest advertiser behind the Regular Army, boosted 1978 ad spending 10% to slightly over $18,000,000.

The Coast Guard, a military service but under Transportation Department control, spent $900,000 on recruiting ad programs, off a little from 1977.

- The Pentagon supports military recruiting efforts with an ongoing marketing research program that last year had a $2,000,000 budget.

Under congressional pressure for more cost-effective advertising, the military services early this year put competitive concerns aside to launch a joint advertising program with a $9,700,000 budget put together with funds diverted from individual service ad campaigns.

The joint ads pitch military service as a chance for the high school graduate, the prime target for recruiters, to continue his or her development. Work on the campaign is split among the ad agencies already handling the individual military services.

The initial theme—"A chance to serve. A chance to learn."—was developed by Army agency N W Ayer ABH. It will be replaced this fall by new creative from Navy agency Ted Bates & Co. with the theme—"Armed Forces. It's a great place to start."

The other agencies participating in the campaign are J. Walter Thompson Co., the Marine Corps' agency, and D'Arcy-MacManus & Masius, the agency for the Air Force.

Other agencies serving military accounts are W.B. Doner & Co., Baltimore, for the Army and Air National Guard, and Henry J. Kaufman & Associates, Washington, D.C., for the Coast Guard. The Army Reserve and Army ROTC are assigned to N W Ayer ABH, the Regular Army's ad agency.

- Outside the military, Postal Service ad execs are becoming among the government's most aggressive. And the most secretive.

Postal Service ad spending slid to less than $7,000,000 in 1977 but rebounded to $8,201,000 in 1978 and has been escalating rapidly. Current plans at USPS have ad spending at an $11,500,000 annual clip for the federal fiscal year now underway.

The increase is almost certainly meant to install Express Mail solidly in the overnight intercity delivery market among a number of private delivery marketers already there.

But USPS won't say what ad weight they're putting behind Express Mail Service, not even for last year, nor are they any longer willing to break out ad figures for their other campaigns, such as the one that promotes stamp collecting (a $3,700,000 ad budget in 1977).

Young & Rubicam is the Postal Service Agency.

- Like the Postal Service, Amtrak, the national passenger railroad, competes with private sector marketers. But its advertising budget slipped $1,000,000 last year, to $8,500,000 as the managers of the heavily subsidized rail service tried to respond to congressional demands for economy.

The Carter administration is making a determined effort to force Amtrak to kill many of its money losing long distance routes, and appeared on the verge of success this summer until the energy crisis hit.

With gasoline scarce, interest in train travel soared and suddenly Amtrak found itself unable to meet demand. Telephone reservationists were hopelessly swamped, and Amtrak's response was a newspaper campaign headlined: "These days it's easier to ride us, than reach us." Copy urged travelers to get their tickets from a travel agent or at the station.

Needham, Harper & Steers, New York, is the Amtrak ad agency.

Media buys for government campaigns last year showed little dollar difference from 1977, hovering at about $60,000,000. Actual media buys are probably several millions more.

The military last year allocated $14,936,000 for use by regional and local recruiting officials, $2,000,000 more than in 1977. These funds are used mostly for local media. Breakouts on how the funds were spent were not readily available, however.

Magazines, long favored as good lead generators by recruiters, were up 11% in 1978 to $25,752,000 on a government wide basis. But newspaper buys for government campaigns slid 31% to $6,483,900, according to available figures.

- Government campaigns bought less tv last year—down 18% to $14,202,000—and shifted more heavily into radio, where buys were up 78% to $11,749,000. The Army, Postal Service and Amtrak cut tv purchases and boosted radio buys, while the Navy and Marines spent more in each. The Air Force used radio only.

Outdoor, which had been dwindling from government campaigns in recent years, practically vanished last year, with only $761,000 reported in that category. That figure could be higher, however, depending on how local recruiters used their ad funds.

Beyond the government's major ad campaigns, which rely on purchased time and space, there are more than two dozen public service advertising campaigns, many focusing on public health and safety. Others are meant to explain how Americans can use government programs targeted for them, such as Social Security or student loans.

Even the Federal Trade Commission, the government agency that polices advertising for fraud and deception, has such agencies as McCaffrey & McCall, New York, on call for ad assignments. FTC last year issued a public service campaign reminding women how to protect their ability to get credit. FTC also is making experimental use of psa's to notify consumers when advertisers cited in FTC actions make refunds available.

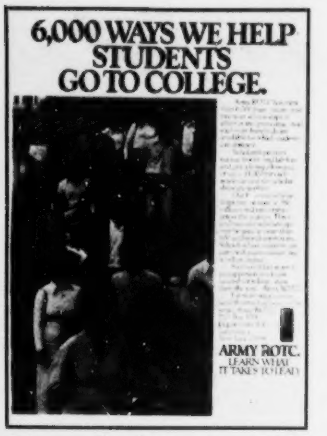
Many of these campaigns are managed for the government by the Advertising Council, a non-profit industry group which picks and chooses among the government agencies that would like its help.

The Ad Council's volunteer agencies provide top creative skills free and Council campaigns are well accepted by media officials who decide what psa's will get free time or space.

Contracts are awarded to the Ad Council on an exclusive basis without competitive bidding and range in size from around $75,000 to $250,000, and sometimes more.

Some Council drives can be crucial parts of government programs. The Council and volunteer agency Ogilvy & Mather will create a $700,000 campaign for use next year in support of the 1980 census.

Ad Council campaigns last year promoted export awareness for the Commerce Department, high blood pressure prevention for the National Heart & Lung Institute, car pooling and the 55mph speed limit for the transportation Department; employer support of the National Guard and Reserve for the


6,000 WAYS WE HELP STUDENTS GO TO COLLEGE.
ARMY ROTC.
LEARN WHAT IT TAKES TO LEAD

Ad spending for the Army ROTC was increased 36%, as the Army attempted to strengthen its Reserve and National Guard units.

Defense Department; voluntary service for ACTION (Peace Corps, Vista, etc.), and education for technical careers for the Health, Education & Welfare Department.

- Ad Council volunteer agencies assigned to government accounts last year included Doyle Dane Bernbach; Marsteller; Lewis & Gillman; SSC&B; D'Arcy-MacManus & Masius; Foote, Cone & Belding/Honig; Liller Neal Weltin; Norman, Craig & Kummel; Leo Burnett Co.; Creamer Inc.; Ted Bates & Co.; Young & Rubicam, and Ogilvy & Mather.

For government public service campaigns that don't use the Ad Council, a formal bidding competition nearly always selects who does the work. Sometimes an ad agency is contracted to supervise the entire campaign; sometimes the government unit contracts with free lance copywriters and takes bids directly from production houses. Some government agencies write and produce their own psa's entirely in-house.

Far smaller than paid ad campaigns, some of these contracts are still big enough to be attractive to many ad agencies. The Consumer Product Safety Commission, for example, has a $450,000 contract with Grey Advertising to produce safety messages.

Among other agencies under contract to produce government psa's are Ketchum, MacLeod & Grove, Pittsburgh, for the Consumer Information Center of the General Services Administration; Porter & Novelli, Washington, D.C., for the National Heart & Lung Institute, and Lowengard & Brotherhood, Washington, D.C., for the President's Council on Physical Fitness & Sports.

Despite open bidding, the major government accounts change agencies infrequently. Incumbent agencies, who know the intricacies of the client's needs, appear to have an edge. In most cases, the competition is held because the contracting system calls for it, not because the client is dissatisfied with the current agency and actively looking for another.

In competitions last year, the Army chose incumbent N W Ayer ABH to continue handling its account and the Navy chose its incumbent agency, Ted Bates & Co., to remain on its recruit ad assignment. This year, J. Walter Thompson Co., was reassigned the Marine Corps account and Henry J. Kaufman & Associates was chosen to remain on the Coast Guard account.

Some incumbent agencies are seen as so well entrenched with a particular client that most agencies pass by the opportunity to challenge them for the business. JWT, the Marine Corps agency since 1946, drew only one rival bid in this year's "contest" for that $10,000,000-plus assignment.

While contract cancelations are rare, federal government contracting policies have been changing recently to favor allocating more government ad work to small businesses, particularly those owned by minorities.

The Transportation Department nearly refused to reassign the Coast Guard contract to Henry J. Kaufman & Associates this year when some department officials said the business should be earmarked for a minority shop. The Kaufman agency got the business, but only after promising to actively seek minority and small business subcontractors.

The Navy has a separate ad contract for minority recruitment advertising, currently worth about $1,150,000 and assigned to Burrell Advertising, Chicago. N W Ayer ABH has added a number of minority ad agencies to handle part of the work on the giant Army account.

The push to get more government ad business to smaller companies has cost the Ad Council a number of accounts. Two Transportation Department campaigns formerly at the Ad Council are with or earmarked for minority or small business companies.

The policy also has cost the Ad Council its high blood pressure education campaign for the Health, Education & Welfare Department, which went to Porter & Novelli, Washington, considered to be a small business.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$6,483,900	$8,525,118
Magazines	25,752,900	23,268,169
Television	14,202,700	17,386,284
Radio	11,749,000	6,557,682
Outdoor	761,000	2,981,893
Total measured	58,949,500	58,739,000
Unmeasured*	69,502,700	57,496,808
Estimated total	128,452,200	116,235,954

*Includes at least $14,936,000 in ad funds spent by local and regional recruiting commands; amounts for preparation, production and distribution of public service print and broadcast ads; preparation and printing of posters, brochures, displays, transit and outdoor material; unmeasured local (including military installation) publications, plus college, school and other institutional publications.

U.S. ARMY
ADVERTISING PERSONNEL
Regular Army Army Reserve

Robert L. Nelson, asst secretary, manpower & reserve affairs
Maj. Gen. William L. Mundie, commander, U.S. Army Recruiting Command
Col. Richard L. Bryan, adv/sales promo director
Lt. Col. Martin Rosen, deputy adv/sales promo director for Army Reserve adv

U.S. Army ROTC

Brig. Gen. Daniel W. French, deputy chief of staff for ROTC, U.S. Army Training & Doctrine Command
Col. Francis J. Marr, chief, adv/media div

U.S. NAVY
ADVERTISING PERSONNEL
Recruiting

Edward Hidalgo, asst secretary for manpower, reserve affairs & logistics
Rear Adm. Floyd H. Miller, commander, U.S. Navy Recruiting Command
Capt. Charles D. Hawkins, adv director

U.S. MARINE CORPS
ADVERTISING PERSONNEL
Recruiting

(vacant), director of personnel procurement
Lt. Col. J.R. Ruffini, head of recruitment adv

U.S. AIR FORCE
ADVERTISING PERSONNEL
Recruiting

Antonia Handler Chayes, asst secretary for manpower, reserve affairs & installations
Brig. Gen. Keith D. McCartney, commander, U.S. Air Force Recruiting Service
Col. William D. Miller, director, adv

U.S. COAST GUARD
ADVERTISING PERSONNEL
Recruiting

Lt. Thomas Schaad, chief of recruiting adv branch

ADVERTISING AGENCIES

N W Ayer ABH International, New York—Army, Army Reserve, Army ROTC—Bart Ladd, mgmt super.

Uniworld Group, New York—Army minority recruiting—Byron Lewis, mgmt rep.

Lockhart & Pettus, New York—Army minority recruiting—Keith Lockhart, mgmt rep.

CSI Advertising, New York—Army minority recruiting—Castor A. Fernandez, mgmt rep.

J.P. Martin/Assoc., New York—Army minority recruiting—Joel P. Martin, president.

Ted Bates & Co., New York—Navy—Leo Martinaitis, acct director.

Burrell Advertising, Chicago—Navy minority recruiting—Julius Jones, acct super.

D'Arcy-MacManus & Masius, New York—Air Force—Fred Harvey, mgmt super.

J. Walter Thompson Co., Washington—Marine Corps—John Wood, acct super.

W. B. Doner & Co., Baltimore—Army/Air National Guard—Albert G. Salter, mgmt rep.

Henry J. Kaufman & Associates, Washington—Coast Guard—Irv Sloan, acct super.

U.S. POSTAL SERVICE
MARKETING PERSONNEL

Gordon Morison, asst postmaster general/customer services
John Wargo, director of commercial mktg
Gary Stevens, mgr., adv branch

ADVERTISING AGENCY

Young & Rubicam, New York—Fred Baxter, mgmt super.

AMTRAK
MARKETING PERSONNEL

Marty Garelick, exec vp
Joseph Falsetti, director of mktg services

ADVERTISING AGENCY

Young & Rubicam, New York—Fred Baxter, mgmt super.

U.S. TRAVEL SERVICE
MARKETING PERSONNEL

Albert Kogelman, director, adv & media services div

ADVERTISING AGENCIES

Young & Rubicam Ltd., London; Young & Rubicam, Mexico City; Young & Rubicam, Tokyo; J. Walter Thompson Co., Paris; Baker Lovick Ltd., Toronto; Slesina-Bates, Frankfurt, Germany.

U.S. ENERGY DEPARTMENT
MARKETING PERSONNEL

Jackson S. Gouraud, deputy undersecretary for commercialization
James Bishop, director, office of public affairs

ADVERTISING AGENCIES

Evans & Bartholomew, Denver—Charles Bartholomew, acct super.

The Adams Group, Washington, D.C.—Scott MacDonald, acct super.

PUBLIC BROADCASTING SERVICE
MARKETING PERSONNEL

Neil B. Mahrer, senior vp-devel & public information

ADVERTISING AGENCY

Hecht, Higgins & Petterson, New York—Walter Higgins, mgmt rep.

Volkswagen of America

	1978	1977
Sales†	$14,110,060,000	$12,860,000,000*
Earnings†	303,000,000	221,000,000*
Advertising**	57,000,000	52,700,000

†Worldwide **U.S. only, AA estimate
***Restated**

Volkswagen of America (subsidiary of Volkswagenwerk AG of Wolfsburg, West Germany), Englewood Cliffs, N.J., the 68th largest national advertiser, increased its advertising slightly more than 8% to $57,000,000 in 1978, a year in which its first Rabbit assembly plant in the U.S. began production.

Sales of the Volkswagen line decreased last year due to shortages of Rabbit autos during the switchover from German to American production. Sales in 1978 for the VW line (Rabbit, Dasher, Scirocco and VW bus) totaled 239,306 units, down 8.2% from 260,702 in 1977.

The total put VW in fourth place in the import sales race behind Toyota, No. 1 with 441,800 units; Datsun, in second place with 338,096 units, and Honda, No. 3 with 274,876.

The addition of a second shift at its Westmoreland, Pa., assembly plant in January of this year—coupled with the gas shortage—has resulted in a dramatic sales increase of Rabbits for the first half of 1979.

First-half sales of the entire VW line were buoyed as well, with the total—170,061—up 44.3% over the 116,054 units in the corresponding period of 1978.

- The Porsche/Audi division's sales for the first six months of 1979 were 20,987 units for Audi (compared with 19,873 in the 1978 first half) and 7,333 vehicles for Porsche (down from 9,455 in the corresponding period a year ago). In 1978, Porsche sales also declined, dropping to 17,017 from 19,896 in 1977; Audi sales for 1978 were up 14% to 40,878 from 35,849.

In June of this year, Volkswagen made headlines after *Automotive News*, a sister publication of ADVERTISING AGE, predicted in its June 25 edition that VW would offer close to $1 billion for Chrysler Corp., the troubled Detroit auto maker.

Toni Schmuecker, parent company managing board chairman, flatly denied the report, but later told Volkswagenwerk stockholders at the annual meeting, "Perhaps we will start a joint engine production with Chrysler in the U.S. one day. I say perhaps."

He also added that the earlier denial "doesn't rule out that we may be having other talks with Chrysler about other projects."

- VW is planning to spend $3.1 billion over the next three years on worldwide expansion with "special attention" to North America where Chrysler has underutilized facilities. A second VW assembly plant in the U.S. is in "developmental stages," with no decision yet made to push ahead with it.

The 1979 Volkswagen model year cars were introduced in the fall of 1978, with advertising retaining the year's previous slogan, "Volkswagen does it again." Created by Doyle Dane Bernbach, the campaign covers all models except the VW bus and conveys the message that Volkswagen makes innovative products featuring performance, advanced engineering and good gas mileage.

The VW bus campaign (creative by James Neal Harvey Inc.) continued to urge people with large families to "take the bus." The ads also emphasized gas economy and roominess.

Advertising for the Rabbit, both gas and diesel, was extremely heavy nationally. The Rabbit diesel campaign—focusing on the product's outstanding gas mileage—was in full swing last year when the U.S. government released mileage figures which named the Rabbit 5-speed and 4-speed models as the No. 1 and No. 2 cars in fuel economy on the American market.

One tv commercial featured a

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cross-country trip by a Rabbit diesel from New York to Los Angeles. The trip's fuel costs amounted to $43, VW proclaimed.

▪ VW also attacked its clones, or rather lookalike versions from competitors, with ads headlined, "The car everybody's trying to copy." In typical VW style, it produced an ad showing a motorist putting a gas pump nozzle to his temple. The headline merely read, "Or buy a Volkswagen."

To draw attention to the Rabbit's head room, the company this year broke ads and commercials showing former basketball great, 7'2" Wilt Chamberlain, fitting comfortably into the driver's seat of the car.

Measured media spending for individual VW models in 1979, as compiled by Leading National Advertisers, broke down as follows: Rabbit, $15,451,200, of which $8,968,300 was in network tv; Dasher sedans and wagons, $7,317,400; VW bus, $1,334,800; Scirocco, $2,682,700; Porsche, $3,106,100, and Audi, $10,109,300.

During 1978, VW maintained 52 weeks of continuous media support while still using a pulsing technique. VofA also stepped up its involvement in sports programing, thereby allowing it to reach a much larger segment of prospective small car buyers. Emphasis also was placed on youth-oriented media, as well as increased regional advertising to accelerate sales in high potential markets.

▪ In the fall of 1978, Porsche and Audi 1979 models were introduced, each backed with separate and distinct campaigns although both carry the message: "Porsche/Audi sells vehicles that share similar qualities in concept development, manufacture and consumer benefit." Both campaigns also share another slogan, "Porsche/Audi, nothing even comes close."

Ads for Audi focus sharply on the car, as headlines and copy feature quotas from automotive experts on the car's features and performance.

For Porsche, DDB created a campaign based on the Porsche's reputation and engineering. The first phase of the campaign emphasized engineering excellence, supported by Porsche's strong position in auto racing.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 2,139,700	$ 4,172,400
Magazines	16,511,200	12,832,500
Spot tv	9,976,600	9,588,500
Network tv	18,769,700	18,249,700
Spot radio	620,800	503,000
Outdoor	451,200	128,800
Total measured	48,469,200	45,474,000
Unmeasured	8,530,800	7,225,100
Estimated total	57,000,000	52,700,000

MARKETING PERSONNEL

Richard Mugg, vp-VW division
John Slaven, director-VW and corp adv
Marvin Gruber, VW adv mgr
Warren Brechtel, VW regional ad mgr
Fritz Mueller, technical mktg mgr
George Pizzo, VW adv super
Alexander Breckwoldt, vp-P&A div
Virginia Williams, mgr-P&A div
Rene Immet, P&A adv mgr
David Wager, P&A regional adv mgr

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Robert Rees, group super-senior vp; Robert Dunn, senior acct exec-VW; Al Steiner, acct exec-VW; Mark Zizzamia, senior acct exec, P&A; Terry Bonaccolta, acct exec-P&A; Jerry Barkann, senior acct exec-regional VW and P&A; Jack Coolbroth, regional acct exec-VW; Sandy Gross, regional acct exec, P&A.

James Neal Harvey Inc., New York—VW bus (creative only). Wayne Slockbower, senior vp; Scott Weeker, vp-acct super; Jim Duffy, acct exec; Laura Roth, promotion specialist.

Warner Communications

	1978	1977
Sales	$1,309,419,000	$1,143,792,000
Earnings	81,882,000	66,889,000
Advertising*	47,675,300	26,349,400

*AA Estimate

Warner Communications, New York, the 75th largest national advertiser, increased its advertising an estimated 81% to $47,675,300 in 1978. (Part of this increase was due to extensive advertising and promotion for two big films—"Superman" and "Every Which Way But Loose.")

Sales rose 14% to a record $1.3 billion, and income increased 22% to $81,900,000, another record. Continued growth in WCI's two largest operating groups—recorded music/music publishing and filmed entertainment—and higher earnings from publishing contributed heavily to these results.

Recorded music and publishing was once again WCI's largest division, both in revenues and operating income. Last year it continued to set records, as revenues increased 16% to $617,000,000 and operating income rose 10% to $93,000,000. The division is comprised of Warner Bros. Records, Electra/Asylum Records, Atlantic Records, WEA Corp., WEA International and Warner Bros. Music.

WEA Corp. is the leading domestic distributor of prerecorded records and tapes and is one of the major strengths of WCI's recorded music division. WEA works closely with the three domestic WCI labels and is actively involved in selling, promotion, merchandising, advertising, warehousing, shipping, billing and collection.

▪ The three well-known domestic labels in this division are Warner Bros. Records, Atlantic Records and Electra/Asylum, which spent $2,768,200; $199,600, and $272,600 respectively in measured advertising during 1978. The majority of this expenditure was in magazines.

The company's filmed entertainment division also set new records in revenues and earnings. The division's revenues of $393,000,000 were up 11%, while operating income rose 38% to $80,000,000. Every segment of the division—Warner Bros., Warner Bros. TV, Licensing Corp. of America and Panavision—showed gains.

Strong theatrical revenues in 1978 reflected the box office success of Warner Bros. films such as "The Goodbye Girl," "Hooper," "The Gauntlet" and "Oh, God." Warner Bros. released "Superman" and "Every Which Way But Loose" in late 1978 and during the first three months they had shattered numerous box office records.

This year's releases that are expected to do well include "The Main Event," "In-Laws" and "Beyond the Poseidon Adventure." During 1978, Warner Bros. films spent $18,247,100 in measured advertising.

▪ Warner Bros. Television had a record year with total sales up 32% to $132,000,000. This division made rapid strides in 1978 in the production of series, specials and miniseries like "Roots: The Next Generations" from its David Wolper unit for the tv networks. WB-TV series on the air in 1978-79 included "Welcome Back, Kotter," "Alice," "Wonder Woman" and "The Dukes of Hazzard."

The publishing division, which consists of Independent News, "Mad Magazine," DC Comics and Warner Books, had a strong year in 1978. Revenues increased 5% to $55,000,000 and profits rose 33% to $9,600,000.

These gains reflect further improved results at Warner Books, better margins at Independent News, higher licensing income for DC Comics, and continued excellent earnings from "Mad."

Warner Books has sought to broaden its publishing of original works to lessen its dependence on the acquisition of expensive reprint rights. Warner also is expanding its trade paperback format—with larger, more profusely illustrated books that carry higher cover prices and provide potentially better margins, despite the lower unit sale typical of trade paperbacks. Warner Books spent $356,400 in measured advertising in 1978.

▪ Warner Cable Corp. (WCC) sales rose 19% in 1978 to a new high of $66,000,000 as operating income from regular cable increased 13% to $17,800,000. However, $11,000,000 in net development expenditures for Qube—WCC's experimental two-way cable service in Columbus, O.—caused consolidated cable division operating income to decline to $6,800,000.

Cable subscribers increased 11% in 1978, bringing total WCC subscribers to 624,000. In 1978, WCC either constructed or acquired new systems in Salem and Melrose, Mass., Sandy Valley, O., and Sedona, Ariz.

▪ Qube, is designed to incorporate the best features of regular CATV and pay tv. It provides the subscriber with the ability to respond via computer and to purchase special programs one at a time.

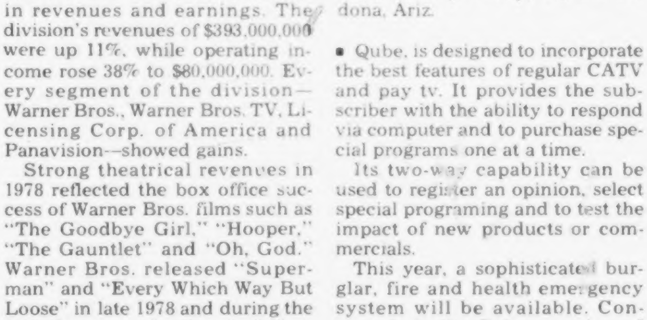
Its two-way capability can be used to register an opinion, select special programing and to test the impact of new products or commercials.

This year, a sophisticated burglar, fire and health emergency system will be available. Connected via the Qube console and computer to the city's emergency departments, this service will summon the appropriate assistance.

Houston will be the second Qube market, perhaps late this year.

The toys and electronic games division, a result of the acquisitions of Atari Inc. in 1976, and Malibu Grand Prix and Knickerbocker Toy Co. in 1977, boosted revenues to $178,000,000 in 1978 and the operating loss was reduced to $2,700,000 from $6,100,000.

The 1978 loss is after deducting approximately $8,000,000 of purchase price amortization, compared to $15,000,000 in 1977; all segments of the division were profitable prior to purchase price amortization.


It's a Movie!
It's a Record!
It's Superman!
The Original Sound Track. On Warner Bros. Records and Tapes.

Warner Communications' movie, "Superman," released late in 1978, has been a box office smash. A sequel to the movie is in the works.

▪ Atari had a difficult year in 1978 because retailers were hestitant to stock its programable video computer system (VCS) and cartridges in large quantities due to late shipments in 1977. Although VCS shipments were below expectations, retail sell-through at Christmas was reported excellent, aided by a substantial advertising program.

In the second half of 1979, Atari will begin production of two personal computers—the Atari 400 and the Atari 800. During 1978, $4,016,500 was spent by Atari in measured advertising.

▪ Malibu Grand Prix revenues and profits, although small, were reported well ahead of 1977. Malibu builds and operates miniamusement centers where scale model formula racing cars are driven on specially designed courses which safely simulate Grand Prix racing conditions.

At the end of 1978, there were 20 tracks in operation against four at the time of acquisition in May 1977.

Knickerbocker Toy was reported as having a disappointing year in 1978. Although still the leading producer of rag dolls and plush animals, many of its older licensed product lines peaked in 1977.

KTC also has a new line of soft superhero dolls for boys. Last year this division spent $916,000 on advertising—all in magazines.

▪ WCI's other operations division is made up of the Cosmos soccer team and Warner/Lauren Ltd. The Cosmos had a successful year in 1978, both on the field, where they won an unprecedented third North American Soccer League title, and in the stands, where attendance set new records.

WCI brought in fashion designer Ralph Lauren in 1976 to form Warner/Lauren. The company's first products, Lauren for women and Polo for men, debuted in March, 1978, in top-quality department stores.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$ 581,900	$ —
Magazines	2,781,100	1,139,400
Spot tv	8,822,700	8,420,000
Network tv	15,817,860	6,226,300
Spot radio	278,800	—
Network radio	54,900	5,200
Outdoor	248,100	395,500
Total measured	28,675,300	16,183,400
Unmeasured	19,000,000	10,166,000
Estimated total	47,675,300	26,349,400

WARNER COMMUNICATIONS

MARKETING PERSONNEL

Sandy Reisenbach, vp, worldwide adv & pr
Nancy Golliger, co-creative adv director
Karen Raiman, co-creative adv director
Joe Hyams, vp, pr
Ernie Grossman, natl director, adv & pr

WARNER BROS. TELEVISION

MARKETING PERSONNEL

Ed Bleier, exec vp, East coast
David Horowitz, vp, adv & promotions

ATLANTIC RECORDS

MARKETING PERSONNEL

David Glew, senior vp, genl mgr
Mark Schulman, vp, adv
Marsha Green, media director

ADVERTISING AGENCY

East/West Advertising, New York—in-house.

ELECTRA/ASYLUM/-NONESUCH RECORDS

Los Angeles

MARKETING PERSONNEL

Jerry Sharell, vp, creative services
Stan Marshall, vp, sales
Randy Edwards, director, merch & adv
David Cline, director, adv

ADVERTISING AGENCY

William S. Advertising, in-house.

WARNER BROS. MUSIC PUBLISHING

MARKETING PERSONNEL

Steve Spooner, director sales, adv & media
Yvonne Kemeny, coordinator, adv, media & East coast licensing

LCA

MARKETING PERSONNEL

Robert Bell, exec vp & chief operating officer
Murray Altchuler, vp, mktg
Arnold Lewis, vp, sales

PANAVISION

Tarzana, Cal.

MARKETING PERSONNEL

Robert Gottschalk, chairman & president
Frank Vogelsang, vp

INDEPENDENT NEWS

MARKETING PERSONNEL

Frank Herrera, president

MAD MAGAZINE

MARKETING PERSONNEL

William Gaines, president

WARNER BOOKS

MARKETING PERSONNEL

Howard Kaminsky, president
Dorothy Crouch, vp, genl mgr

ADVERTISING AGENCY

Publishers Advertising Associations (In-House)—Mark Greenberg, president.

ATARI INC.

MARKETING PERSONNEL

Sales

Don Winn, president, consumer div
Don Kingsborough, vp, sales & mktg
Peter Rosenthal, mktg mgr-personal computers

Advertising

Shirlene Foydl, mgr of mktg services
Ginny Juhnke, mktg super & pr coordinator

ADVERTISING AGENCY

Doyle Dane Bernbach, Los Angeles—Rick Jarc, vp-acct super; Gary Fountain, Andy Leonard, acct execs

MALIBU GRAND PRIX

MARKETING PERSONNEL

Sales

Bob Rockerfeller, director of mktg

Advertising

Dave Bursteen, director of MGP Advertising, in-house agency
Bobby Pacheco, media director

WARNER BROS RECORDS

MARKETING PERSONNEL

Sales

Ed Rosenblatt, senior vp-director of sales promo
Lou Dennis, vp-sales
Stan Cornyn, exec vp-creative director

Advertising

Shelley Cooper, director of adv
Russ Thyrot, vp-director of promo
Tom Draper, vp-black music mktg
Andrew Wickham, vp-director of country music mktg

PANAVISION

MARKETING PERSONNEL

Robert Gottschalk, president & ceo

WEA CORP.

MARKETING PERSONNEL

Vic Fanaci, exec vp
Skid Weiss, director adv & public relations
Alan Perper, natl mgr, adv
Barbara Burns, natl adv coordinator

WEA INTERNATIONAL

MARKETING PERSONNEL

Phil Rose, exec vp

WARNER CABLE CORP.

MARKETING PERSONNEL

John Lack, exec vp-mktg & programing
Robert McGroarty, vp-mktg

COSMOS SOCCER CLUB

MARKETING PERSONNEL

Robert Rolontz, vp-communications
Tom Werblin, adv mgr
Dom Flora, director of mktg & merch

DC COMICS

MARKETING PERSONNEL

Sol Harrison, President

KNICKERBOCKER TOY CO.

MARKETING PERSONNEL

Stanley Harfenist, vp-sales & mktg
Nora Glass, adv mgr

ADVERTISING AGENCY

Rosenfeld, Sirowitz & Lawson, New York.

Warner-Lambert Co.

	1978	1977
Sales	$2,878,496,000	$2,542,728,000
Earnings	207,947,000	187,616,000
Advertising	211,000,000	201,000,000

Warner-Lambert Co., Morris Plains, N.J., the 7th largest national advertiser, increased its advertising 5% to an estimated $211,000,000 in 1978.

Worldwide sales increased to a record $2.9 billion, while earnings increased 10.6% to $207,947,000. Sales for the first quarter of 1979 rose 19% to $764,565,000, while earnings rose 9% to $57,222,000.

Sales of its ethical health care and nonprescription products accounted for approximately 56% of net sales, topping $1.6 billion, a 13% increase over the previous year. According to Joseph D. Williams, company president, the company ranks sixth in the $45 billion world ethical pharmaceutical market.

- A number of W-L nonprescription health care products made major gains last year. Among the market leaders were Gelusil antacid; Sinutab, sinus relief medicine; Anusol, hemorrhoidal suppositories and Myadec, a high-potency vitamin-mineral preparation.

The company also became the first to market e.p.t., the in-home early pregnancy test kit. The e.p.t. kit began receiving network tv support in January.

In addition, W-L introduced a new line of cough-cold products under the Symptom name. Symptom 1, 2 and 3 are designed for treatment of a specific cough, cold or allergy symptom, while Multi-Symptom is designed to treat all three.

Building on the Sinutab name and market share— estimated at approximately 30%—W-L last October introduced Extra Strength Sinutab Capsule Formula.

- W-L's Parke-Davis division, which attracts about 20% of high potency vitamin sales, has reformulated Myadec, a high potency multiple vitamin-mineral preparation.

In addition to its new product lines, other W-L nonprescription health care products include Efferdent denture cleanser tablets; Rolaids antacid; Bromo-Seltzer, and Listerex Acne Scrub, Listerine antiseptic and throat lozenges and Listermint mouthwash.

Among the more heavily advertised products last year were Rolaids, $8,800,000; Efferdent, $4,500,000; Halls Mentho-Lyptus cough drops, $3,200,000; e.p.t. pregnancy test, $2,800,000, Sinutab extra strength, $2,900,000.

Both Rolaids antacids and Halls cough tablets maintained leading market positions last year. Halls continues as the No. 1 cough tablet in the U.S., with domestic sales in excess of $40,000,000. Rolaids leads in the antacid category.

After years of haggling between W-L and the Federal Trade Commission, W-L last September began running corrective advertising for Listerine, after the U.S. Supreme Court refused to review the company's appeal of an FTC order.

- The FTC ordered W-L to include a corrective statement explaining that "Listerine will not help prevent colds or sore throats or lessen their severity," in $10,000,000 of advertising beginning in September, 1978. The FTC, in reaching the decision in April 1978, contended that for more than 50 years, Listerine ads created the false impression that the product prevents or lessens the severity of colds and sore throats. The company said "breath control" is the major franchise for Listerine.

According to Leading National Advertisers W-L last year spent approximately $7,750,000 to promote Listerine antiseptic and throat lozenges. Its Listermint mouth wash received approximately $5,000,000 in support, and Listerex acne scrub received $300,000.

Sales of W-L gums and other specialty foods reached $604,000,000 last year, up from $511,000,000 the previous year. The segment includes chewing gums, breath mints, confections and the newly acquired Entenmann's specialty baked goods.

Its Freshen-up liquid center chewing gum reported worldwide sales of more than $70,000,000 last year and, according to the company, continues to gain strength outside the U.S. Freshen-up is now available in 20 countries.

- Based on the Freshen-up technology, the company last year introduced Chewels, a liquid center sugarless gum, on the West Coast.

Pick two, any two
Efferdent
and get one FREE!

Warner-Lambert Co. used a promotion—pick two, get one free—to move several of its products at the same time.

W-L's Trident sugarless gum, continues to to be the largest selling sugarless gum, and was reformulated last year in order to eliminate saccharin.

Life Savers Inc.'s Care*Free sugarless gum, however is closing in on Trident in the $1 billion gum market. Both brands are reported to hold a low 40s share of the sugarless gum market, with less than one-half of a point share separating the two.

Meanwhile, in the bubble gum segment, W-L Bubblicious, introduced in 1977, has been improving after a slow start, the company said.

Bubblicious was introduced after Life Savers Inc., a Squibb Corp. subsidiary, reported tremendous success with the introduction of Bubble Yum soft bubble gum.

- In the over-all gum market, industry sources now give W-L's American Chicle division a three point lead in the second quarter, over previous front runner Wm. Wrigley Jr. Co. American Chicle now holds a 34% share of market compared with Wrigley's 31%. Life Savers continues in third place with 24%.

Last year, W-L spent approximately $11,000,000 in advertising for its Trident sugarless gum and bubble gum. Freshen-up received approximately $6,500,000 in ad support and Bubblicious $3,500,000. Care*Free sugarless gum was backed by approximately $5,000,000 in spending. Dancer Fitzgerald Sample, handles the Care*Free account.

In the $340,000,000 rolled candy/breath mint category, American Chicle took over the lead in the second quarter with 43% of the market at retail, according to industry sources. Life Savers, which previously led the category, now holds 40% of the market. W-L's Certs holds 29%, and Velamints, a sugarfree breath mint imported from West Germany by Ragold Inc., Chicago, holds 9%.

- Entenmann's, which was acquired by W-L late in 1978, marks its first entry into the baked goods market. With distribution in both the East and Chicago, W-L foresees Entenmann's eventually going national and possibly international.

According to W-L, Entenmann's reached approximately 20% of the U.S. population at the time of its acquisition. The company expects distribution to reach approximately 80% of the population by the mid-1980s.

Shortly after W-L acquisition of Entenmann's, the baked goods subsidiary acquired Beatrice Foods' Burny Bros., Northlake, Ill., a bakery serving northern Illinois. The Burny acquisition marks Entenmann's move westward.

W-L Schick broke new ground early this year with the introduction of its Ultrex Super II pivoting head razor with one-push cleaning. Ultrex, which followed the introduction of Gillette's Atra pivoting head razor, is receiving $14,000,000 in ad support this year.

The company also is testing a twin-blade disposable razor in Seattle, Wash. W-L, which until recently resisted entry into the disposable market, will be competing against Gillette's Good News!, twin blade disposable. Good News! reportedly leads in the men's disposable category with a 7.6% of the $425,000,000 market at retail.

Bic Pen Corp.'s Bic shaver, a single-blade disposable, holds a 7% share of the market.

In addition, W-L's personal care division last year introduced its Personal Touch razor system for women, supported by a $3,000,000 budget. It leads the category.

- Meanwhile, W-L filed a lawsuit against Gillette, the leader in the wet shave market, accusing it of violating antitrust laws of unfair competition and of breach of contract.

In its complaint, W-L stated that in a 1978 agreement, it agreed to pay Gillette $3,000,000 to avoid being sued for manufacturing or selling twin blade shaving systems based on Gillette's patents. The agreement, according to the complaint, said W-L planned to introduce twin blade cartridges adaptable to either or both the Gillette Trac II or Atra.

W-L contends that its new Ultrex II blades are not completely adaptable to the Atra Invitation, a line extension of the Atra pivoting head razor, and said it was Gillette's intention to design the razor in such a way that the Ultrex blades could not be used. Gillette has denied all the allegations in the W-L complaint.

- W-L's American Optical division has entered the soft contact lens market in a big way. The division this year broke its first national multi-million dollar campaign for soft contact lens.

American Optical which presently claims a 20% share of the soft lens market, increased its advertising from the estimated $150,000 it spent last year in order to better compete with Bausch & Lomb, the undisputed leader in soft contacts.

In June, American Optical introduced the Dorothy Hamill and Bob Griese children's eyewear collection.

- Ms. Hammill, an ice skaing star, also endorses the company's Eyestopper collection of women's eyeglass frames. Mr. Griese, Miami Dolphins quarterback, is the company's official spokesman.

American Optical also produces the Oscar de la Renta fashion frames for men and women and markets AOlite Ultravue progressive lenses, which replace traditional biofocals. Ultravue, introduced in late 1976, currently holds about 2.5% of the market.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$984,600	$884,900
Magazines	4,540,100	785,900
Spot tv	28,133,200	30,158,600
Network tv	55,772,000	62,008,300
Spot radio	547,800	930,000
Network radio	2,678,900	4,191,600
Outdoor	88,000	670,000
Total measured	92,744,600	89,719,900
Unmeasured	118,255,400	111,280,100
Estimated total	211,000,000	201,000,000

WARNER-LAMBERT CO.

Corporate Officers

Ward S. Hagan, chairman, ceo
Joseph D. Williams, president
Frank Markoe Jr., vice-chairman for corporate affairs
George Hromadko, vice-chairman for financial affairs

CONSUMER PRODUCTS GROUP

Marketing Personnel

Albert R. Pezzillo, president
Howard R. Bloomquist, group senior vp, business devel
Hugh Goodman, director, adv services

PERSONAL PRODUCTS DIVISION

Marketing Personnel

Benjamin J. Sottile, president
Thomas S. Muller, vp, mktg

Advertising Agencies

Ted Bates & Co., New York—Efferdent, Effergrip, Efferdent paste, Power Tabs—Larry S. Epting, exec vp; Mike Townsend, mgmt rep; John Stranger, acct super.

J. Walter Thompson Co., New York—Listerine antiseptic, Listermint, Listerex—Jack Morrissey, group acct director; Jeanne Maraz, mgmt super; Jim Lewis, acct. super.

William Esty Co., New York—Schick Injector shaving system, Schick Super II Ultrex shaving system, Schick Double Edge system, Personal Touch ladies razor—Bob Ballerini, mgmt super; Don Byer, acct super.

Young & Rubicam, New York.—Cool-Ray sunglasses—Bill Thompson, mgmt super; Tom Dianis, acct super.

ENTENMANN'S DIVISION

Marketing Personnel

Robert Entenmann, chairman
David W. Johnson, exec vp, genl mgr
Patrick S. Amello, vp, sales & mktg

Advertising Agency

J. Walter Thompson Co., New York—Jack Morrissey, group acct director; Adele Finaly, acct super.

AMERICAN CHICLE DIVISION

Marketing Personnel

John Amerman, president
Donald Spence, vp, product mgmt
Bert Page, vp, sales

Advertising Agencies

Ted Bates & Co., New York—Adams gums, Bubblicious, Trident gum, Trident mints, Dynamints, Halls cough tablets, Rolaids—L.S. Epting, exec vp; Mike Townsend, mgmt rep; Betty Valdes, Vic Bloede, acct supers.

William Esty Co., New York—Clorets, Chiclets, Good & Plenty, Good 'N Fruity, Freshen-Up gum, Rothchilds candies, Spring gum, Bob Ballerini, mgmt super; Richard Geyer, acct super.

Young & Rubicam, New York—Dentyne gum, Certs mints—Bill Thompson, mgmt super; Clay Edmunds, acct super.

J. Walter Thompson Co., New York—Chewels gum—Jack Morrissey, group acct director; Bea Lothrop, acct super.

PHARMACEUTICAL DIVISION

Marketing Personnel

H.L. Richardsohn Jr., president
C.J. Cowles, vp, mktg
L.B. Brown, vp, sales
J.L. Smart, vp, product mgmt
E.J. Gorzalski, director, mktg services
D.S. Pearson, director, new product planning
S.A. Samuels, director, otc product mgmt
J.R. Quinn, group product director
S.T. Regnier, group product director
R.L. Willey, director, mktg research

Advertising Agencies

Sudler & Hennessey, New York—Paul Trunk, senior vp; Robert Botto, senior vp-mgmt super; Bill Gibson, mgmt super; Donald Masterson, Thomas Fochetta, acct supers; John Rinaldi, acct exec

Young & Rubicam, New York—Bill Thompson, mgmt super; Clay Edmunds, acct super.

Sieber & McIntyre, Chicago—Stephen Parello, vp, acct super; John Aherne, acct exec.

J. Walter Thompson Co., New York—Sinutab, E.P.T., Anusol, Lubriderm—Jack Morrisey, group acct director; Baiba Liepins, acct super.

MILITARY & SPECIAL MARKETS DIVISION

Marketing Personnel

William P. Broas, vp, genl mgr
L.J. Turner, director sales
J.G. Kurey, director, special markets
M.A. Morra, mgr, sales promo & planning
S.H. Yarvis, director, financial/admin planning

DIAGNOSTICS DIVISION

Marketing Personnel

George W. Masters, president
Richard L. Walsh, director, mktg
C.A. Holzmacher, director, product mgmt, genl diagnostics
James P. Berutich, director, sales, genl diagnostics
Robert D. Grissom, vp-genl mgr, Nuclear Med Labs
Edward A. Whitehill, director, sales, Nuclear Med Labs

Advertising Agency

Medical Education Dynamics, Woodbridge, N.J.—John White, acct exec.

HOSPITAL PRODUCTS DIVISION

Marketing Personnel

Paul Creager, president
James W. Duncan, vp, genl mgr, Deseret
John C. Sifers, vp, genl mgr, Medical-Surgical
Tom Snowden, vp, general mgr, Orthopedic

Advertising Agency

Tom Ferguson Associates, Parsippany, N.J.—Deseret operating room products—Tom Ferguson, president.

LACTONA CORP.

Marketing Personnel

R.D. Brennan, genl mgr

AREN'T YOU MISSING SOMETHING?

The naked truth is if you aren't buying Tallahassee/Thomasville, you're missing a lot of exposure in the Florida and south Georgia, market—124,200 households (ARB-'78). In fact, Tallahassee alone is ranked 24th in the nation in per household retail buying power. Now that's a lot of scratch. And the Tallahassee/Thomasville market ranks 13th among the fastest growing metros in the country.* WCTV is your best buy to reach this important market. Here are some bare facts WCTV has been the number one station in this market for over 23 years, delivering a whopping 54% of the Tallahassee/Thomasville market (ARB-'78). And WCTV has a wide reach of 49 counties in north Florida, south Georgia, and south Alabama as well. And we deliver an important youth market also. In our home metro county, the average age is 24.3.* WCTV is affiliated with CBS, too. The network that's a big number one in most major Florida markets, according to Florida Trend Magazine (Nov. '77). So if you've got something to sell, expose yourself in the Tallahassee/Thomasville market with WCTV. The station with real coverage.

*Sales Marketing Management Survey—July, 1978

If you're not buying Tallahassee/Thomasville, you're missing a lot of Florida, south Georgia, and south Alabama.

6 WCTV Thomasville-Tallahassee

Division of John H. Phipps Broadcasting Stations, Inc.

MARKETING PROFILES

C.W. Farnham, Jr., mgr, intl sales

Advertising Agency

Lambert & Feasley, Morris Plains, N.J.—professional dental products—V.F. Foullois, media director.

AMERICAN OPTICAL CORP.

Glenn A. Hastings, president

Marketing Personnel

Optical Products Division

John G. Kringel, president
John T. Gardner, director, mktg

Scientific Instruments Division

Richard E. Schmidt, president
Thomas A. Bologna, director, product devel
Andrew J. Liberty, mgr, adv & mktg services

Safety Products Division

Theodore R. Spiers, president
D.E. Tenney, director, mktg & product devel

Medical Division

William M. Mullahy, president
George Lambert, adv & publications mgr

Soft Contact Lens division

Hank Green, vp, genl mgr
R.G. Wright, director, mktg
Joel Berinstein, product mgr

Advertising Agencies

Sudler & Hennessy, New York—soft contact lenses (professional, trade)—Robert Botto, senior vp, mgmt super.

Young & Rubicam, New York—soft contact lens (consumer)—Clay Edmunds, acct exec.

Provandie & Chirurg, Boston—optical products—John Nazzaro, president.

Giardini & Russell, Watertown, Mass.—optical products—Bob Russell, acct exec.

Mintz & Hoke, Avon, Conn.—optical products—Joseph Hoke, president.

Potter Hazelhurst Inc., Cranston, R.I.—safety products— Tom Chadwick acct exec.

Harris D. McKinney, Philadelphia—scientific instruments—Ted Arnold, acct exec.

WARNER-LAMBERT CANADA

Marketing Personnel

A.Z. Pengelly, director, corporate mktg & community service

ADAMS BRAND LTD.

Marketing Personnel

J.C. Carroll, genl mgr
R.W. MacDonald, director, product mgmt
B.M. Wynn, A.J. Cooper, group product mgrs
F.E. Finlayson, director, sales

Advertising Agencies

Spitzer, Mills & Bates, Toronto—Certs, Dentyne, Rolaids, Dynamints, Trident, Adams Fruit Gum, Beeman's, Halls Mentho-Lyptus—W.J. Whitehead, acct director.

J. Walter Thompson Co., Toronto—Chiclets, Clorets, Freshen-Up—P. Donegan, acct director.

PRODUCTS DIVISION

Marketing Personnel

R.B. Snyder, genl mgr
J.B. Pope, group product mgr
L.J. O'Keefe, director of sales

Advertising Agencies

J. Walter Thompson Co., Toronto—Listerine Products, Listermint—P. Donegan, acct dir.

Spitzer, Mills & Bates, Toronto—Schick Wet Shave product line, Efferdent—D. Smith, acct director.

COLORS THAT CLING
They won't blow away!
Maybelline

Maybelline cosmetics make up Schering-Plough Corp.'s most heavily advertised product line.

PARKE, DAVIS & CO. LTD

Marketing Personnel

D.M. Seath, director, professional products
M.K. Skripitsky, director, mktg
G.M. Hetherington, director, product mgmt
D. Lindley, group product mgr
G.G. Gibson, director, sales

Advertising Agencies

J. Walter Thompson Co., Toronto—over-the-counter products—P. Donegan, acct director.

Crobie Advertising Ltd., Toronto—prescription products—D. Headley, acct director.

Wm. Wrigley Jr. Co.

	1978	1977
Sales	$445,639,000	$397,941,000
Earnings ...	31,828,000	29,313,900
Advertising*	37,771,852	31,036,900

*AA estimate

Wm. Wrigley Jr. Co., Chicago, the nation's 84th largest advertiser, spent an estimated $37,771,852 on advertising in 1978, up almost 22% over 1977.

The company had 1978 sales of $445,639,000, up 12% over the previous year. Earnings rose 8.6% to $31,828,000 in 1978 after an earnings decline of 4.8% on 1977.

The company's higher sales and earnings came from higher volume, a wholesale price increase and favorable foreign currency to dollar exchange.

Wrigley's chief competitors in the gum market are the Squibb Corp., makers of Life Savers Care*-Free sugarless gum and Bubble Yum, and Warner-Lambert's American Chicle division. Industry sources give American Chicle 34% of the market in the second quarter of 1979, with Wrigley at 31% and Life Savers at 24%.

In its battle against strengthening competition, Wrigley has introduced its fifth new product in five years. Hubba Bubba, Wrigley's first entry in the ballooning bubble gum market, was introduced in Germany in July, 1978, and entered the U.S. market in May, 1979. Bubble gum is said to make up 30% or $400,000,000 of the over-all gum market.

Hubba Bubba, which is designed to compete with Warner-Lambert's Bubblicious and Squibb's Bubble Yum, has a no-stick quality that prevents its bubbles from sticking to face and hair. The new product will be supported by $10,000,000 in media advertising.

Wrigley's 1977 new product entry, Orbit sugarless gum, reached national distribution in 1978, and Orbit sugarless bubble gum was introduced in 1978.

Orbit met with early difficulties when preliminary research results suggested that Orbit's sweetener, xylitol, was suspected of causing cancer. Despite claims that the natural sweetener is safe and no comments having been made by the Food & Drug Administration, Wrigley substituted traditional sweeteners mannitol and sorbitol.

Liquid center gum is another area catching gum makers' and gum chewers' fancies and Wrigley entered that market internationally in Australia with Spurt in July, 1978. The gum comes in mint, apricot and bubble gum flavors. In January, 1979, Yusi was introduced in Germany. It is a liquid center gum with a sugar free center.

Wrigley's Amurol Products Co., taking advantage of the booming interest in active sports, completed its national rollout of MVP thirst quenching gum. That product was backed by $123,100 in national magazines and spot tv.

Amurol introduced Mork in 1979, named after one of tv's hottest series characters, Mork, of "Mork and Mindy." The product is five pieces of soft bubble gum packaged in a plastic egg. It is being introduced regionally without media support.

Amurol was also active in its dietetic food products line with introductions of several chocolate bar and wafer items that are low in sodium and cholesterol levels. The company also tested Yogurt Swirl, a conventionally sweetened yogurt and fruit flavored bar, but reported "inconclusive" results.

In the health food area, Amurol introduced several "Amurol Natural" trademarked items said to be formulated without artificial colors, preservatives or flavors.

Advertising behind Wrigley products was primarily in television and radio, with over 90% of its budget placed in those media. Most of the advertising support was behind Spearmint and Orbit. Measured media spending for Wrigley's Juicy Fruit, Doublemint and Spearmint, totaled $16,991,300.

The only newspaper or magazine advertising for Wrigley were coupon promotions for Orbit and Big Red.

Wrigley's Spearmint continued its "Hello" campaign via Needham, Harper & Steers, Chicago, in network and spot tv and radio. For the second year, the brand appeared in transit ads.

The Orbit brand also ran in national transit and New York subway ads. Orbit spent $11,947,700 in measured media; about 70% of its advertising budget was spent in spot tv and radio.

Orbit sugarless bubblegum began its rollout in August, 1978 with spot commercials on children's tv shows. The commercials featured a robot character and were prepared by Arthur Meyerhoff Associates.

Juicy Fruit's schedule included spot commercials during the last six months of the year and 15 weeks of network commercials. Its radio schedule included 22 weeks on the Mutual Black Network.

Big Red cinnamon gum continued its western theme in spot tv and network radio, spending $6,158,500 in measured ads.

Freedent, the nonstick gum, received $5,941,800 in measured media spending, the bulk of which was in spot television. That figure is nearly double its 1977 ad budget.

Doublemint was not advertised in 1978, but in May, 1979, a new campaign began via Meyerhoff with the theme: "Doublemint, there's no single gum like it."

In its drive to remain competitive in the gum market, Wrigley is restructuring its marketing organization to a more traditional brand management format. Each brand will not have a brand manager, but brands will be grouped and headed by a manager.

TREAT YOUR KIDS TO GREAT BIG BUBBLES WITHOUT ANY TROUBLES.
INTRODUCING HUBBA BUBBA BUBBLE GUM WITH AMAZING NO-STICK BUBBLES.
BEFORE HUBBA BUBBA.
AFTER HUBBA BUBBA.
AMAZING NO-STICK BUBBLES.
SOFT JUICY DELICIOUS.
Hubba Bubba
BIG BUBBLES NO TROUBLES.

Hubba Bubba, Wrigley's first entry into the booming bubblegum market under its own label, was introduced in the U.S. in May, 1979.

ADVERTISING EXPENDITURES

	1978	1977
Newspapers	$327,700*	$3,909,250
Magazines	42,600	821,200
Spot tv	23,347,152**	19,187,460
Network tv	6,578,000	1,068,300
Spot radio	3,974,000	3,376,000
Network radio	2,902,400	2,123,900
Total measured ...	37,171,852	30,486,100
Unmeasured	600,000	550,800
Estimated total ...	37,771,852	31,036,900

***Media Records reports a 1978 expenditure of $655,300, but the actual figure is believed to be about $327,700.** **Leading National Advertisers shows $32,426,600 as the 1978 expenditure, but the actual figure is thought to be about $23,347,152 after quantity discounts.

MARKETING PERSONNEL

Sales

William Wrigley, president, ceo
Ronald O. Cox, vp, mktg

District Sales Managers

H. Conklin, eastern district
E.L. Kimzey, mid-Atlantic district
H.W. Colson, east central district
J.E. Decker, western north district
H.W. Gray, southwestern district
J.C. Barger, southern district
L.R. Klein, west central district
J.M. Kroyer, north central district
G.V. Marx, midwestern district
R.P. Thurlow, western south district

Advertising

Ronald O. Cox, vp, mktg
Henry J. Berchert, art director

ADVERTISING AGENCIES

Arthur Meyerhoff Associates, Chicago—broadcast—Eric Harkna, mgmt super; Andrew Danchak, Walter Waschick, acct supers.

Needham, Harper & Steers, Chicago—broadcast, general magazines—Tom Marti, acct super; Gary Benz, John McQueen Jr., acct execs.

Eddy-Rucker-Nickels Co., Cambridge, Mass.—car cards—George D. Sargent Jr., exec vp.

Mayfield, Smith, Park Advertising, Honolulu—tv and radio in Hawaii—Margo Todd, media director.

Ronalds-Reynolds & Co., Toronto—English language ads in Canada.

Jean Leville Associates, Montreal—French language ads in Canada.

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100 leading companies boost ad spending over $10 billion

(Continued from Page 1)

Holding onto the No. 7 plate was Warner-Lambert Co., at $211,000,000, and Ford Motor Co. remained eighth with $210,000,000 in ad spending. Also in the top 10 were Bristol-Myers Co., ninth with $192,800,000 (down from No. 6) and Chrysler Corp., tenth with $188,900,000 (up from No. 17).

■ Newcomers to the 1978 list include two entertainment companies—Warner Communications, which took the No. 48 rung with an estimated ad investment of $81,900,000, and MCA Inc., whose advertising outlay of $61,000,000 put it 66th.

Also new or returning to the list were DuPont at $70,000,000; Brown-Forman Distillers Corp., $35,000,000, and Alberto-Culver, $32,400,000.

Dropping out of the top 100 ranks were Block Drug Co., E. & J. Gallo Winery, Goodyear Tire & Rubber Co. and Shell Oil Co. Also, Hanes Corp. is no longer listed separately as it merged with Consolidated Foods Corp.—incidentally boosting Consolidated from No. 96 to No. 41.

Advertising figures listed for each of the 100 leaders include "measured media" expenditures published by various statistical bureaus and associations.

These include Leading National Advertisers, the Publishers Information Bureau, Radio Advertising Bureau, Radio Expenditure Reports, Agricultural Marketing Information Service (Agricom), LNA-Broadcast Advertisers Reports, Media Records, Institute of Outdoor Advertising and the Outdoor Advertising Assn. of America.

■ In the eight media so measured, the 100 leaders dominate, accounting for just over 54% of all the advertising dollars invested there (see charts on Pages 70 and 71).

In addition to the measured media figures, "unmeasured media" expenditures are added to get a grand total for each of the 100 companies. These unmeasured expenditures include point of purchase, direct mail, premiums and other forms of national advertising and sales promotion. All estimated expenditures are estimates by ADVERTISING AGE.

Measured media figures generally include gross space and time costs only, while production and talent costs are included in unmeasured expenditures. Exceptions are the network tv figures, which include net time and talent.

■ ADVERTISING AGE would like to make it clear that the selection of the "100 leading national advertisers" was based on measured media expenditures only. Final ranking, however, is based on the combined total of measured and unmeasured spending.

If other criteria were used, other advertisers not now on the list would need to be included. Among such advertisers would be those who spend many millions annually in local advertising, which is not measured, and who spend relatively little in national advertising. Such companies include many of the large retailers.

On Oct. 29, ADVERTISING AGE will take a look at some of these local advertisers, with profiles of the advertising expenditures and financial operations of 50 leading retailers—the top 25 general merchandisers and the top 25 supermarkets. #

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